

1997-99 Budget
House of Representatives
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	49,303	49,318
1997-99 Maintenance Level (ERL)	49,303	49,303
Policy Changes:		
1. Legislative Ethics Board	25	25
2. SCR 8408 Water Policy Report	25	25
Total Policy Changes	50	50
Total 1997-99 Biennium	49,353	49,353
Difference from 1995-97	50	35
% Change from 1995-97	0.1%	0.1%

Comments:

1. Legislative Ethics Board - In addition to \$125,000 provided in 1995, \$25,000 is provided for the Legislative Ethics Board to retain one full-time legal counsel/staff. An equal amount of funding is provided by the Senate.

2. SCR 8408 Water Policy Report - Funds are provided for the purposes of preparing the Water Policy Report under Substitute Senate Concurrent Resolution 8408. An equal amount of funding is provided by the Senate.

1997-99 Budget
Senate
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	37,993	38,008
1997-99 Maintenance Level (ERL)	39,870	39,870
Policy Changes:		
1. Legislative Ethics Board	25	25
2. SCR 8408 Water Policy Report	25	25
Total Policy Changes	50	50
Total 1997-99 Biennium	39,920	39,920
Difference from 1995-97	1,927	1,912
% Change from 1995-97	5.1%	5.0%

Comments:

1. Legislative Ethics Board - In addition to \$125,000 provided in 1995, \$25,000 is provided for the Legislative Ethics Board to retain one full-time legal counsel/staff. An equal amount of funding is provided by the House of Representatives.

2. SCR 8408 Water Policy Report - Funds are provided for the purposes of preparing the Water Policy Report under Substitute Senate Concurrent Resolution 8408. An equal amount of funding is provided by the House of Representatives.

1997-99 Budget
Jt Leg Audit & Review Committee
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	3,011	3,011
1997-99 Maintenance Level (ERL)	2,796	2,796
Policy Changes:		
1. SSB 5633 DOT Performance Audit	515	515
Total Policy Changes	515	515
Total 1997-99 Biennium	3,311	3,311
Difference from 1995-97	300	300
% Change from 1995-97	10.0%	10.0%

Comments:

1. SSB 5633 DOT Performance Audit - One-time funding is provided to conduct a performance audit of the Department of Transportation pursuant to Substitute Senate Bill 5633.

* **Expand Audits by 50 Percent** - The Joint Legislative Audit and Review Committee currently performs an average of 10 performance audits per year, depending on the complexity. Funding this request would increase the committee's workload to an average of 15 audits per year and would require eight additional staff. The additional funding is not provided, and additional audits will be funded by the Legislature on a case-by-case basis.

1997-99 Budget
WA Performance Partnership Council
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	256	256
1997-99 Maintenance Level (ERL)	0	0
Total 1997-99 Biennium	0	0
Difference from 1995-97	-256	-256
% Change from 1995-97	-100.0%	-100.0%

Comments:

1997-99 Budget
LEAP Committee
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	2,324	2,324
1997-99 Maintenance Level (ERL)	2,324	2,324
Policy Changes:		
1. Non-classified Staff Adjustments	149	149
2. System Productivity Gains	-145	-145
3. Advanced Technical Training	14	14
4. Client Workstations/Servers	53	53
5. Local Government Fiscal Analysis	200	200
Total Policy Changes	271	271
Total 1997-99 Biennium	2,595	2,595
Difference from 1995-97	271	271
% Change from 1995-97	11.7%	11.7%

Comments:

1. Non-classified Staff Adjustments - These funds support non-classified staff salary and benefit increases, plus 0.2 FTEs to bring staffing levels to 11 full-time staff.

2. System Productivity Gains - This is a reduction in funds for personal services and goods and services through productivity gains.

3. Advanced Technical Training - This funding supports advanced technology training on new client/server software for LEAP staff.

4. Client Workstations/Servers - This request funds improvements to legislative client workstations for legislative fiscal committees and the eight servers maintained by the LEAP Committee. Workstations are upgraded on a three-year cycle.

5. Local Government Fiscal Analysis - Funds are provided to continue the work of the LEAP Committee to (1) collect and analyze local government fiscal data, and (2) conduct a one-time examination of state data processing projects funded in the state budget, with the objective of improving the Legislature's evaluation and oversight of state computer projects.

1997-99 Budget
Office of the State Actuary
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	0	1,619
1997-99 Maintenance Level (ERL)	0	1,627
Policy Changes:		
1. JCPP Meeting Costs	0	12
2. Increase Staff to Full-Time	0	14
3. Computer Replacement	0	20
4. Enhance Connection to LSC	0	8
Total Policy Changes	0	54
Total 1997-99 Biennium	0	1,681
Difference from 1995-97	0	62
% Change from 1995-97	0.0%	3.8%

Comments:

1. JCPP Meeting Costs - Funding is provided to pay the rental costs of meeting facilities for the Joint Committee on Pension Policy (JCPP), which meets approximately seven times a year in the Sea-Tac area. The Committee had been using the Sea-Tac Legislative Office at no charge until its closure in 1995.

2. Increase Staff to Full-Time - Funding is provided to increase a Word Processing Specialist position from 80 percent to full time. The workload increase is due to Joint Committee on Pension Policy duties and additional office publications.

3. Computer Replacement - Funding is provided to allow the Legislative Service Center (LSC) to replace computers every three years. Being part of LSC's system, the State Actuary needs to replace its computer hardware to have the same computer capability.

4. Enhance Connection to LSC - Funding is provided to upgrade the current connection to the Legislative Service Center (LSC) for better processing service (LSC request).

* **Leasehold Improvements** - Funding is not granted to remodel the computer/terminal room for use as office space. (Personal computers have replaced computer terminals for actuarial data processing and the room is available for other use.)

1997-99 Budget
Joint Legislative Systems Committee
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	8,900	11,146
1997-99 Maintenance Level (ERL)	9,260	11,129
Policy Changes:		
1. Central Purchasing	1,600	1,600
Total Policy Changes	1,600	1,600
Total 1997-99 Biennium	10,860	12,729
Difference from 1995-97	1,960	1,583
% Change from 1995-97	22.0%	14.2%

Comments:

1. Central Purchasing - This item provides funding for the Legislative Service Center to operate a central personal computer and software purchasing service for the Legislature. Currently the Senate, House of Representatives, and Statute Law Committee plan for their own acquisitions. The central purchasing service will result in more consistent and coordinated purchases. Equipment and software shall be purchased only at the request of the client agencies.

* **Upgrade Computing Network** - Funding is requested for upgrading the Legislative Service Center's network capabilities, including audio and video capacity. Funding for this expansion is deferred.

1997-99 Budget
Statute Law Committee
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	6,432	9,048
1997-99 Maintenance Level (ERL)	6,893	9,775
Policy Changes:		
1. Transfer of computer purchasing	-108	-108
Total Policy Changes	-108	-108
Total 1997-99 Biennium	6,785	9,667
Difference from 1995-97	353	619
% Change from 1995-97	5.5%	6.8%

Comments:

1. Transfer of computer purchasing - The reduction represents the transfer to the Legislative Systems Committee of the function of purchasing personal computers and related equipment on behalf of the Statute Law Committee. The transfer will facilitate the coordination of legislative computer upgrades.

1997-99 Budget
Supreme Court
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	9,284	9,284
1997-99 Maintenance Level (ERL)	9,414	9,414
Policy Changes:		
1. Furniture Replacement	51	51
2. General Inflation	-12	-12
Total Policy Changes	39	39
Total 1997-99 Biennium	9,453	9,453
Difference from 1995-97	169	169
% Change from 1995-97	1.8%	1.8%

Comments:

1. Furniture Replacement - Provides one-time funding to replace 19 law clerk workstations with ergonomically designed workstations that will reduce wrist and back injuries, make more efficient use of office space and will accommodate modern office equipment.

2. General Inflation - This item eliminates funding for general inflation increases.

* **Job Reclassifications** - In the Governor's budget, this item funds the on-going cost of reclassifying two exempt positions in the Office of Reporter of Decisions. The Senate budget does not include this item because the Supreme Court has sufficient funding in their maintenance level to cover these expenditures.

1997-99 Budget
State Law Library
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	3,256	3,256
1997-99 Maintenance Level (ERL)	3,560	3,560
Policy Changes:		
1. General Inflation	-6	-6
Total Policy Changes	-6	-6
Total 1997-99 Biennium	3,554	3,554
Difference from 1995-97	298	298
% Change from 1995-97	9.2%	9.2%

Comments:

- 1. General Inflation** - This item eliminates funding for general inflation increases.

1997-99 Budget
Court of Appeals
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	19,186	19,186
1997-99 Maintenance Level (ERL)	19,692	19,692
Policy Changes:		
1. Pro-Tem Judges -- Division III	10	10
2. General Inflation	-105	-105
3. One Additional Judge and Support	271	271
4. One-Time Remodel and Equipment	490	490
Total Policy Changes	666	666
Total 1997-99 Biennium	20,358	20,358
Difference from 1995-97	1,172	1,172
% Change from 1995-97	6.1%	6.1%

Comments:

1. Pro-Tem Judges -- Division III - This item funds pro-tem judges for Division III in Spokane to sit on panels when other judges have a conflict.

2. General Inflation - This item eliminates funding for general inflation increases.

3. One Additional Judge and Support - The Senate budget provides funding for one additional judge position in Division 1 and 3.0 FTE support staff, effective July 1, 1998.

4. One-Time Remodel and Equipment - The Senate budget provides funding to remodel Division 1 court facilities. The current space must be reconfigured to accommodate the new judge and staff.

* **Two Additional Judges -- Division I** - The Court requested funding for two additional judgeships in Division I in Seattle. The judgeships were authorized by the 1993 Legislature and are awaiting budget approval. This request, a combination of one-time and on-going costs, includes funding for four law clerks and two judicial secretaries. The Senate budget provides for one new judge and one-time remodeling costs in separate items.

* **Non-Judicial Staff Increase** - The Court requested eleven new staff positions for all three court Divisions to address increased case filings and new methods to dispose of cases. Positions requested include: one court administrator, two staff attorneys, two senior case managers, two case managers, one receptionist/file clerk, one commissioner, one judicial secretary, and one law clerk. The Senate budget does not provide funding for these positions because the Court of Appeals has not demonstrated how these positions will improve the functioning of the Court.

* **Training and Education** - The Court of Appeals requested on-going funding for training and education of judicial and non-judicial employees. The Senate budget does not include this item because the Court of Appeals has sufficient funding in their maintenance level for these expenditures.

* **Security Upgrade -- Division I** - The Court of Appeals requested funding one-time security equipment installation, as well as on-going security services, for Division I in Seattle. The Senate budget does not include this item because the Court of Appeals has not fully demonstrated the need.

* **Office Space -- Division II** - The Court of Appeals requested on-going funds to acquire, and one-time funds to remodel, leased space for Division II in Tacoma. The Senate budget does not include this item because the Court of Appeals has sufficient funding in their maintenance level for these expenditures.

1997-99 Budget
Commission on Judicial Conduct
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	1,439	1,439
1997-99 Maintenance Level (ERL)	1,266	1,266
Policy Changes:		
1. Preservation of State Records	16	16
2. Database Conversion	30	30
3. General Inflation	-7	-7
Total Policy Changes	39	39
Total 1997-99 Biennium	1,305	1,305
Difference from 1995-97	-134	-134
% Change from 1995-97	-9.3%	-9.3%

Comments:

1. Preservation of State Records - Provides one-time funding to comply with state laws governing disaster recovery and preservation of public records.

2. Database Conversion - Funds a software upgrade for the activity-tracking database from a DOS to a Windows operating system. The database contains information about all Commission proceedings and cases.

3. General Inflation - This item eliminates funding for general inflation increases.

1997-99 Budget
Office of Administrator for Courts
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	24,225	74,569
1997-99 Maintenance Level (ERL)	25,125	61,830
Policy Changes:		
1. Juvenile Court IS Integration	0	2,612
2. Appellate Database Integration	0	375
3. Appellate Database Rewrite	0	264
4. Electronic Documents Study	0	200
5. DISCIS Data Entry Feasibility Study	0	60
6. Courts Automated Proceeding System	0	548
7. JIS Equipment Replacement	0	4,000
8. Electronic Publication Distribution	0	100
9. Automated Pro Se Information	0	188
10. JIS DB2 Database Review and Upgrade	0	408
11. Juvenile Court IS Backup Data	0	110
12. Disaster Recovery Plan	0	960
13. Electronic Judicial Order Sharing	0	228
14. Misdemeanor Criminal History	0	191
15. Expanded Law Agency Access to JIS	0	522
16. Seattle Municipal DISCIS Conversion	0	100
17. Snohomish Dist. DISCIS Conversion	0	96
18. Year 2000 Conversion	0	400
19. Court of Appeals LAN Support	0	278
20. Transfer Snohomish Diversion	0	-258
21. General Inflation	-142	-790
22. Judicial Program Funding Pool	200	200
Total Policy Changes	58	10,792
Total 1997-99 Biennium	25,183	72,622
Difference from 1995-97	958	-1,947
% Change from 1995-97	4.0%	-2.6%

Comments:

1. Juvenile Court IS Integration - This one-time item funds the programming costs associated with integrating the Juvenile Information System into the Judicial Information System (JIS). The conversion will also assure that the database for juvenile offenders, which contains social and detention information, is Year 2000 compliant. (Judicial Information Systems Account)

2. Appellate Database Integration - The item provides one-time funding to perform the programming necessary to integrate the Appellate Court Docketing System (ACORDS) with the Judicial Information System and assure Year 2000 compliance. ACORDS handles case management for the Court of Appeals and Supreme Court, and contains the database of all attorneys eligible to practice law in Washington State. (Judicial Information Systems Account)

3. Appellate Database Rewrite - This item provides one-time funding for the conversion of the ACORDS system from a mainframe to a local-network or personal-computer environment that is more reliable and cheaper to maintain. (Judicial Information Systems Account)

4. Electronic Documents Study - This one-time item funds a study of the feasibility of enabling the courts and the Attorney General's Office to file routine court documents electronically with the Court of Appeals and Supreme Court. (Judicial Information Systems Account)

1997-99 Budget
Office of Administrator for Courts

5. DISCIS Data Entry Feasibility Study - One-time funding is provided for a feasibility study of enabling local prosecutors and law enforcement agencies to upload infraction and misdemeanor data from local systems into the District and Municipal Court Information System (DISCIS). If successful, this approach would eliminate redundant data entry by the courts. (Judicial Information Systems Account)

6. Courts Automated Proceeding System - This item provides training and installation funds for the new Courts Automated Proceeding System (CAPS) in 235 courts statewide. CAPS is a case-scheduling system for courts. (Judicial Information Systems Account)

7. JIS Equipment Replacement - This provides funding for the implementation of year two of the agency's schedule for replacing aging computer equipment in local courts. This request assumes a replacement rate of 20 percent per year. (Judicial Information Systems Account)

8. Electronic Publication Distribution - One-time funding is provided to enable the Administrator of the Courts to make agency-supported manuals for judges and their staff available electronically and to provide access to the manuals via the Judicial Information System network. (Judicial Information Systems Account)

9. Automated Pro Se Information - Funding is provided for a demonstration project to provide pro se litigants (litigants who act as their own attorneys) with electronic forms filing capability and information at courthouses, libraries, or through the Internet. In addition, court facilitators would be able to request standard forms through an automated telephone system. (Judicial Information Systems Account)

10. JIS DB2 Database Review and Upgrade - One-time funding is provided for a review the Judicial Information System database structure to identify changes that would improve response time, ease system maintenance, provide 24-hour access, and provide the ability to develop end-use functions more rapidly. (Judicial Information Systems Account)

11. Juvenile Court IS Backup Data - The item provides funding in order to allow uninterrupted access to data on juveniles' prior history of offenses. (Judicial Information Systems Account)

12. Disaster Recovery Plan - The item provides on-going funding to design, test, and train employees in the use of a disaster recovery/business resumption plan that assumes that essential, centralized JIS functions are unavailable for several days due to earthquake or other major disaster. (Judicial Information Systems Account)

13. Electronic Judicial Order Sharing - This one-time item will provide the capability for electronic transfer of such judicial orders as warrants or restraining orders from the courts to other criminal justice agencies. (Judicial Information Systems Account)

14. Misdemeanor Criminal History - This item will allow the Administrator of the Court to make the necessary modifications in order to provide the capacity to store indefinitely records of misdemeanor and gross-misdemeanor criminal history. This will create the ability to determine whether an offender has remained crime-free long enough to have prior felony convictions disregarded at a subsequent felony sentencing hearing. (Judicial Information Systems Account)

15. Expanded Law Agency Access to JIS - This on-going item funds toll-free telephone access to JIS by local law enforcement agencies seeking criminal justice information. (Judicial Information Systems Account)

16. Seattle Municipal DISCIS Conversion - This item provides funding a feasibility study of converting the Seattle Municipal Court's information system to DISCIS. (Judicial Information Systems Account)

17. Snohomish Dist. DISCIS Conversion - This one-time item would fund conversion of the Snohomish County South District Court to DISCIS, enabling county and state sharing of court information. (Judicial Information Systems Account)

18. Year 2000 Conversion - This one-time item funds replacement of vendor software that does not meet Year 2000 standards, as well as needed changes to applications using at-risk vendor software. (Judicial Information Systems Account)

1997-99 Budget
Office of Administrator for Courts

19. Court of Appeals LAN Support - This on-going item adds 3 FTE staff to provide on-site staff support for local area networks (LANs) at each Division of the Court of Appeals. (Judicial Information Systems Account)

20. Transfer Snohomish Diversion - In the Senate budget, funding responsibility for the Snohomish County pre-prosecution diversion program is transferred to Snohomish County. (Public Safety and Education Account)

21. General Inflation - This item eliminates funding for general inflation increases.

22. Judicial Program Funding Pool - In the Senate budget, this item provides \$100,000 in each year of the 1997-99 biennium for enhancements to judicial programs. The specific program or programs to receive the enhancement will be determined by the Office of the Administrator for the Courts in consultation with the Supreme Court. The Governor's budget does not include this item.

* **Court Futures Study** - The Office of the Administrator for Courts requested one-time funding to conduct a study and develop a strategic plan for restructuring and funding Washington's judiciary. The Senate budget does not include this item. (Public Safety and Education Account)

* **Courthouse Security** - The Office of the Administrator of the Courts requested on-going funding for distribution among requesting state and local courts seeking security equipment and training. The Senate budget does not provide funding for this item because the agency has not demonstrated the emergent need, and has not fully developed an implementation plan. In addition, it is not clear that this is a state responsibility. (Public Safety and Education Account)

* **Judicial Education Travel** - The Board for Trial Court Education requested on-going funding to reimburse travel expenses associated with judicial training and education. The Senate budget does not provide funding for this item because the agency has not sufficiently demonstrated the emergent need. (Public Safety and Education Account)

* **Minority and Justice Comm. Projects** - The Minority and Justice Commission requested on-going funding to design and present cultural diversity education programs, conduct a major empirical research study, and prepare its annual report. The Senate budget does not provide funding for this item because the agency has sufficient funding in their maintenance level for these activities. (Public Safety and Education Account)

* **Fund Shift** - This item shifts \$1.3 million in maintenance activities associated with various judicial information technology systems from the Public Safety and Education Account to the Judicial Information Systems Account. (Public Safety and Education Account, Judicial Information Systems Account)

1997-99 Budget
Office of Public Defense
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	0	5,805
1997-99 Maintenance Level (ERL)	0	11,499
Policy Changes:		
1. Attorney Fees Increase	0	688
Total Policy Changes	0	688
Total 1997-99 Biennium	0	12,187
Difference from 1995-97	0	6,382
% Change from 1995-97	0.0%	109.9%

Comments:

1. Attorney Fees Increase - Funding is provided to increase reimbursement for private attorneys providing constitutionally mandated indigent appellate defense in non-death penalty cases from \$1,900 per case to \$2,100 per case. (Public Safety and Education Account)

1997-99 Budget
Office of the Governor
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	8,823	9,048
1997-99 Maintenance Level (ERL)	9,735	10,807
Policy Changes:		
1. Action Team Technology Enhancement	57	57
2. General Inflation	-75	-75
3. Equipment Reduction	-21	-21
4. Puget Sound Action Team - Reduction	-36	-36
5. Executive Operations - Reduction	-154	-154
Total Policy Changes	-229	-229
Total 1997-99 Biennium	9,506	10,578
Difference from 1995-97	683	1,530
% Change from 1995-97	7.7%	16.9%

Comments:

1. Action Team Technology Enhancement - This funding will equip the Puget Sound Water Quality Action Team with computers and a wide-area network link from the Action Team (housed at the Department of Ecology headquarters) to the Governor's Office on the Capital Campus.

2. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

3. Equipment Reduction - A reduction is taken in the administrative budget of the Office of the Family and Children's Ombudsman.

4. Puget Sound Action Team - Reduction - Printing costs are reduced by eliminating one-half of newsletters produced by the Puget Sound Water Quality Action Team each year.

5. Executive Operations - Reduction - One staff position and goods and services are reduced in the Governor's Office budget.

* **Puget Sound Work Plan** - Funds are not provided for expanded technical assistance by the Puget Sound Action Team.

1997-99 Budget
Office of the Lieutenant Governor
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	501	501
1997-99 Maintenance Level (ERL)	512	512
Policy Changes:		
1. General Inflation	-3	-3
2. Youth Drug & Alcohol Abuse Outreach	42	42
3. Acting Governor Compensation	14	14
Total Policy Changes	53	53
Total 1997-99 Biennium	565	565
Difference from 1995-97	64	64
% Change from 1995-97	12.8%	12.8%

Comments:

1. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

2. Youth Drug & Alcohol Abuse Outreach - The Lieutenant Governor is provided funding to implement a program addressing the problems of drug and alcohol abuse primarily among the youth in Washington State. The effort will involve research, development of materials, and presentations throughout the state.

3. Acting Governor Compensation - This item provides additional funding to accommodate the actual number of days the Governor is typically out of state, which requires the Lieutenant Governor to act as Governor.

1997-99 Budget
Public Disclosure Commission
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	2,235	2,235
1997-99 Maintenance Level (ERL)	2,240	2,240
Policy Changes:		
1. Filer Assistance	139	139
2. Compliance	52	52
3. General Inflation	-7	-7
4. Customer Technology Improvements	239	239
Total Policy Changes	423	423
Total 1997-99 Biennium	2,663	2,663
Difference from 1995-97	428	428
% Change from 1995-97	19.1%	19.1%

Comments:

1. Filer Assistance - One-time funding is provided to implement electronic filing of financial affairs statements and lobbyist registrations.

2. Compliance - Additional funding is provided to the PDC to enable the agency to utilize Attorney General services at a level comparable to that experienced in the current biennium.

3. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

4. Customer Technology Improvements - One-time funding is provided for customer service technology improvements including enhanced internet access, fax-on-demand technology, and personal computers and software compatible with the agency's new imaging system.

1997-99 Budget
Office of the Secretary of State
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	17,093	25,552
1997-99 Maintenance Level (ERL)	14,172	24,012
Policy Changes:		
1. Charitable Trust Backlog	179	179
2. International Education	50	50
3. Eliminate Legal Advertising #	-125	-125
4. General Inflation	-166	-250
5. Census Block Boundary Program	98	98
6. Local Elections Certification	-653	-653
7. Oral History Program	55	55
8. State Horse Park Feasibility Study	45	45
Total Policy Changes	-517	-601
Total 1997-99 Biennium	13,655	23,411
Difference from 1995-97	-3,438	-2,141
% Change from 1995-97	-20.1%	-8.4%

Comments:

1. Charitable Trust Backlog - Charitable trusts are required to file and be registered with the Secretary of State's Office. Funds and one staff person are provided to address the agency's nine month backlog of filings, trust registrations, and re-registrations.

2. International Education - Chapter 253, Laws of 1996 (House Bill 2291) authorizes the Office of the Secretary of State to establish an international education database. As a discretionary function, this should be performed within available resources.

3. Eliminate Legal Advertising # - Senate Bill 6068, introduced at the request of the Secretary of State, allows efficiencies in the cost of legal advertising for proposed state constitutional amendments. The statutory advertising duplicates information provided in the state Voters' Pamphlet and available from other public sources. The savings recognized in Governor Locke's budget proposal would require a constitutional amendment to eliminate all legal advertising.

4. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

5. Census Block Boundary Program - One-time funding is provided to prepare for the state's participation in the United State's Census Voting District Project to update U.S. census precinct boundaries and to facilitate the upcoming census and redistricting processes.

6. Local Elections Certification - Funding is eliminated for continuing costs of audit and certification of county election offices. Audits of each of the 39 counties will be completed in the 1995-97 biennium, and further audits should be conducted pursuant to Senate Bill 5565 on an as-needed basis within available resources or on a local reimbursement basis.

7. Oral History Program - Funds are provided to expand the Secretary of State's Oral History Program, which documents the oral history of state government.

8. State Horse Park Feasibility Study - The Secretary of State is directed to contract for an economic feasibility study of establishing a State Horse Park.

1997-99 Budget
Office of the Secretary of State

Wednesday, Mar. 26, 1997
4:22 pm

* **License Suspension #** - The Secretary of State's Office does not require funding for professional license suspension under new federal welfare reform legislation or proposed state legislation. Corporate licenses are not affected by this legislation.

1997-99 Budget
Governor's Office of Indian Affairs
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	347	347
1997-99 Maintenance Level (ERL)	374	374
Policy Changes:		
1. Policy Research Assistance	160	160
2. General Inflation	-1	-1
Total Policy Changes	159	159
Total 1997-99 Biennium	533	533
Difference from 1995-97	186	186
% Change from 1995-97	53.6%	53.6%

Comments:

1. Policy Research Assistance - Funding is provided for a policy research assistant position and a clerical support position that are needed to keep current with the agency's mandate to act as the policy lead for the Governor on all American Indian-related issues.

2. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

1997-99 Budget
Asian/Pacific-American Affrs
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	370	370
1997-99 Maintenance Level (ERL)	376	376
Policy Changes:		
1. Support Staff	28	28
2. General Inflation	-3	-3
Total Policy Changes	25	25
Total 1997-99 Biennium	401	401
Difference from 1995-97	31	31
% Change from 1995-97	8.4%	8.4%

Comments:

1. Support Staff - Funding is provided to restore the salary reduction of an administrative assistant position made as part of a consolidation effort of the four ethnic agencies in 1993.

2. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

1997-99 Budget
Office of the State Treasurer
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	0	11,021
1997-99 Maintenance Level (ERL)	0	11,153
Policy Changes:		
1. Information Systems	0	450
2. Technology Improvements	0	20
3. General Inflation	0	-56
Total Policy Changes	0	414
Total 1997-99 Biennium	0	11,567
Difference from 1995-97	0	546
% Change from 1995-97	0.0%	5.0%

Comments:

1. Information Systems - This funding continues development of a new treasury management system that was begun with a feasibility study in 1996. The amount provided reflects the first-year estimate for design and development of a treasury management system to replace the existing state debt, investments, cash management, and treasury accounting systems. Additional funding will be requested with the 1998 supplemental operating budget to provide for second-year costs. (State Treasurer's Service Account)

2. Technology Improvements - Several improvements are provided for the Office's information and computing capabilities. A service connection to the statewide network operated by the Department of Information Services will allow the Office to connect with statewide accounting systems and share data with other agencies. This funding will also allow the Office to repair weaknesses in its phone and data lines. (State Treasurer's Service Account)

3. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

1997-99 Budget
Office of the State Auditor
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	508	38,294
1997-99 Maintenance Level (ERL)	859	37,190
Policy Changes:		
1. Staff Increase	0	1,000
2. Increase in Local Audits	0	306
3. Special Request Audits	0	624
4. Relocate Local Offices	0	174
5. General Inflation	-3	-148
6. Reduction in Audit Services	0	-230
7. Local Government Fiscal Reporting	500	500
Total Policy Changes	497	2,226
Total 1997-99 Biennium	1,356	39,416
Difference from 1995-97	848	1,122
% Change from 1995-97	166.9%	2.9%

Comments:

1. Staff Increase - The State Auditor received funds in the 1995-97 Biennium to automate the audit process. The result was a reduction of 10 FTE staff, with a savings of \$1 million per year. The software was pilot tested and found not to meet the needs of the State Auditor; the funding the project received will be returned in the 1997 supplemental operating budget. This item reinstates the staff and funding necessary to perform on-going audit functions. (Auditing Services Revolving Account; Municipal Revolving Account-Nonappropriated)

2. Increase in Local Audits - Funding and additional staff are provided for increased workload in local government audits. (Municipal Revolving Account-Nonappropriated)

3. Special Request Audits - This item provides funding for special request audits from local municipalities. (Municipal Revolving Account-Nonappropriated)

4. Relocate Local Offices - Local offices of the State Auditor are currently located in office space shared with the agencies they audit. Funding is provided to allow these local offices to lease their own space. (Municipal Revolving Account-Nonappropriated)

5. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

6. Reduction in Audit Services - The State Auditor will slightly reduce the number of audit hours on low-risk issues involving state agencies, and therefore reduce the cost of conducting those audits. (Auditing Services Revolving Account)

7. Local Government Fiscal Reporting - One-time funding is provided for improvements to the Budget & Accounting Reporting System (BARS) to improve the collection and reporting of local government fiscal data, as recommended by the local government finance study group.

* **Special Education Audit Reduction** - Funding for the special education audit is not reduced.

1997-99 Budget
Comm Salaries for Elected Officials
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	67	67
1997-99 Maintenance Level (ERL)	67	67
Total 1997-99 Biennium	67	67
Difference from 1995-97	0	0
% Change from 1995-97	0.0%	0.0%

Comments:

* **Update Salary Study** - Funding is not provided to update technical studies. This study was last updated in 1987-89 (\$14K). (Addresses the duties and salaries of legislators, elected state officials, and all judges of the state, approximately 440 positions.) It is unclear if the new commission will want to update the salary study.

1997-99 Budget
Office of the Attorney General
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	8,978	139,252
1997-99 Maintenance Level (ERL)	6,963	136,947
Policy Changes:		
1. Attorney Salary Increases	0	1,000
2. Ecology Legal Services Demand	0	710
3. DSHS Legal Services Demand	0	240
4. Reduce Administration Funding	-50	-50
5. Tort Defense Increase	0	1,080
6. Additional Legal Services	0	663
7. Motor Vehicle Warranties Act	0	-768
8. Idaho Mining Litigation	600	600
9. General Inflation	-71	-1,179
10. Health Care Anti-Trust Monitoring	0	-152
Total Policy Changes	479	2,144
Total 1997-99 Biennium	7,442	139,091
Difference from 1995-97	-1,536	-161
% Change from 1995-97	-17.1%	-0.1%

Comments:

1. Attorney Salary Increases - A special salary increase was funded in the 1995-97 biennium to allow the Attorney General to target salary increases to assistant attorneys general to address retention and turnover problems. Additional funds are provided for a second attorney salary increase in the 1997-99 biennium to ensure that the agency can retain experienced attorneys. In addition to this funding, assistant attorneys general receive the general cost-of-living increase provided to state employees. (Legal Services Revolving Account)

2. Ecology Legal Services Demand - Funding is provided for an additional attorney and a legal secretary to help the Department of Ecology to address the increased workload in water rights applications. The new attorney and legal secretary will focus on water resources appeals. Additionally, funding and staff are provided for legal representation and expert witness costs related to the appeal of the Intertanko lawsuit. (Legal Services Revolving Account)

3. DSHS Legal Services Demand - The Department of Social and Health Services has experienced a significant increase in litigation. Funding is provided to support two paralegals who will prepare cases and free up attorney time for more complex legal issues affecting the agency. (Legal Services Revolving Account)

4. Reduce Administration Funding - Savings will be made in the agency's administrative support for non-legal services revolving fund programs. Support functions will be reduced in areas such as centralized budget and accounting, personal, specialized library, and information services.

5. Tort Defense Increase - In the past three years, the number of lawsuits against the state has increased 50 percent. Funds support three tort defense assistant attorneys general to investigate, resolve, and defend the state against lawsuits. (Legal Services Revolving Account)

6. Additional Legal Services - The Department of Labor and Industries, Office of Administrative Hearings, Public Disclosure Commission, and Office of Environmental Hearings need additional legal services above current budgeted levels. Funds are provided for these expenses. (Legal Services Revolving Account)

1997-99 Budget
Office of the Attorney General

Wednesday, Mar. 26, 1997
4:22 pm

7. Motor Vehicle Warranties Act - A reduction in the New Motor Vehicle Arbitration Account expenditure is necessary due to declining revenues and insufficient fund balance. (New Motor Vehicle Arbitration Account)

8. Idaho Mining Litigation - The Attorney General is pursuing litigation against mining companies in the state of Idaho for polluting Washington waters. One-time funding supports a natural resources damage assessment and initial litigation efforts necessary to recover legal fees and damages.

9. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

10. Health Care Anti-Trust Monitoring - To bring Health Services Account expenditures in line with account revenues, dedicated funding is eliminated for health care anti-trust activities. If health care anti-trust activities are needed, existing anti-trust funding from the General Fund may be used. (Health Services Account--State)

* **Computer Software Migration** - Funding for automatic computer software upgrades is not provided.

* **Complex Litigation** - Under the complex litigation program, the Attorney General assists county prosecuting attorneys in complex legal cases. Additional funding for the program is not provided, and new legal services should be provided on a reimbursement basis.

1997-99 Budget
Dept of Financial Institutions
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	0	13,940
1997-99 Maintenance Level (ERL)	0	14,673
Policy Changes:		
1. Securities Enforcement Enhancement	0	460
2. Administration & Technology Package	0	496
3. License Suspension #	0	102
4. General Inflation	0	-62
Total Policy Changes	0	996
Total 1997-99 Biennium	0	15,669
Difference from 1995-97	0	1,729
% Change from 1995-97	0.0%	12.4%

Comments:

1. Securities Enforcement Enhancement - Funding is provided to ensure that regulated institutions respond to consumer complaints and that alleged violations of statute or regulations by licensees are investigated, detected, and responded to promptly. The number of investor complaints has risen 190 percent from Fiscal Year 1994 to Fiscal Year 1996. Of the total, \$4,000 is provided for one-time costs in Fiscal Year 1998. (Securities Regulation Account)

2. Administration & Technology Package - Funding is provided for the development of technology applications to support licensing tracking, consumer complaint processing, enforcement, legal research, and examinations; to redesign and upgrade applications in the Securities Division to meet the expanding workload; and to automate internal office applications for travel, payroll, time sheets, revenue, and receivables. One-time funds of \$216,000 are provided for the development of the new applications. (Securities Regulation Account, Banking Examination Account, Credit Unions Examination Account)

3. License Suspension # - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) requires states to have laws providing for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. This item includes funding for the additional workload associated with the license suspension. The bill will affect two Department of Financial Institutions program areas. The Division of Securities licenses securities broker-dealers, salespersons, investment advisers and investment adviser representatives. The Division of Consumer Services licenses escrow officers and mortgage brokers. (Securities Regulation Account, Banking Examination Account)

4. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

1997-99 Budget
Dept Community, Trade, & Econ Dev
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	105,116	298,121
1997-99 Maintenance Level (ERL)	110,153	300,408
Policy Changes:		
1. Pass-through Funds Reduction	0	-2,894
2. General Inflation	-291	-453
3. Domestic Violence Legal Advocacy	0	423
4. ECEAP Vendor Rate	1,286	1,286
5. Community Investment Unit	0	445
6. Community Development Finance	-247	-247
7. Business Recruitment Reduction	-275	-275
8. Sex Offender Sentencing (SB 5919)	121	121
9. Biotechnology Conference	75	75
10. Director's Office Staffing	-90	-90
11. Space Reduction	-48	-48
12. Regulatory Reform Efficiency	-33	-33
13. CERB Support	-96	-96
14. Energy Strategy Reduction	-30	-30
15. Employee Ownership	-133	-133
16. Economic Dev Advocacy	-165	-165
17. Business Loans Mgmt Efficiency	-81	-81
18. International Trade	-274	-274
19. Foodstamp Outreach	-300	-300
20. Growth Management Grants	-968	-968
21. Safe Drinking Water	0	1,065
22. Public Works - Financial Management	0	450
23. Federal Flood Assistance	0	7,714
Total Policy Changes	-1,549	5,492
Total 1997-99 Biennium	108,604	305,900
Difference from 1995-97	3,488	7,779
% Change from 1995-97	3.3%	2.6%

Comments:

1. Pass-through Funds Reduction - Pass-through funds are reduced for mobile home relocation assistance and Hanford area economic development assistance, consistent with available revenues in the 1997-99 Biennium. (Mobile Home Park Relocation Account, Hanford Area Economic Investment Account)

2. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

3. Domestic Violence Legal Advocacy - Additional funding is available from the federal Department of Justice Byrne Grant. The Governor proposed that additional funds be provided for legal advocacy services to victims of domestic violence. The Senate budget funds domestic violence legal advocacy services but at a lower level. Allocation of the full FY 98 Byrne Grant is addressed in the Senate budget bill. (General Fund-Federal)

4. ECEAP Vendor Rate - The Senate budget provides a 3% vendor rate increase for the Early Childhood Education Program.

1997-99 Budget
Dept Community, Trade, & Econ Dev

5. Community Investment Unit - The Community Economic Revitalization Board will use the additional staff to evaluate new funding requests and to monitor the existing loan portfolio. Funds to administer the Public Works Trust Fund program are shifted from the capital budget to the operating budget. (Public Facility Construction Loan Revolving Account, Public Works Assistance Account)

6. Community Development Finance - Two positions are eliminated and state technical assistance to local banks and local development organizations concerning long-term financing for business start-up and expansion will be reduced.

7. Business Recruitment Reduction - Funding is reduced for the department's business recruitment program. Through administrative re-programming of funds, this program has increased significantly during the past biennium. The Senate budget reduces funding for the program by 20%.

8. Sex Offender Sentencing (SB 5919) - The Senate budget provides funding for the implementation of SSB 5919. The legislation requires the department to contract with the sexual assault center at Harborview Medical Center for an evaluation of victim's attitude's regarding the special sex offender sentencing alternative. The Governor's budget does not include this item.

9. Biotechnology Conference - Funding is provided for state sponsorship of a biotechnology conference scheduled for May 1999 in Seattle.

10. Director's Office Staffing - One position is eliminated in the Director's office.

11. Space Reduction - Leased space will be reduced as an efficiency measure in the Westin Building in Seattle.

12. Regulatory Reform Efficiency - Program staff will absorb part of the regulatory reform activities that were being handled by the Local Development Assistance Service Area for the benefit of the total agency.

13. CERB Support - Eliminates state general fund support for the Community Economic Revitalization Board's operations and shifts the cost to the Public Facilities Construction Loan Revolving Fund.

14. Energy Strategy Reduction - Agency staff will absorb the work associated with revising the Washington State Energy Strategy document rather than contracting for services.

15. Employee Ownership - As an efficiency measure, one position and related funding is eliminated. The workload will be absorbed by other agency staff.

16. Economic Dev Advocacy - An exempt position responsible for economic policy development is eliminated.

17. Business Loans Mgmt Efficiency - As an efficiency measure and through improved technology, one position is eliminated from the Loan Portfolio Management program and the associated workload will be absorbed by other staff in the program.

18. International Trade - Funding to support the international trade programs is reduced. The Department is conducting a review of its roles and responsibilities in support of international trade development. The specific impacts of this proposed reduction will be determined as a part of this effort.

19. Foodstamp Outreach - State funding for the Food Stamp Outreach Program is eliminated.

20. Growth Management Grants - Growth management grants for the 97-99 biennium are reduced.

21. Safe Drinking Water - The federal government has provided funding to improve the state's water systems. The Department of Community, Trade, and Economic Development (CTED) will operate a state revolving fund to finance these improvements. (General Fund-Federal)

1997-99 Budget
Dept Community, Trade, & Econ Dev

22. Public Works - Financial Management - The Public Works Trust Fund program will acquire new financial management software to assist the department in managing the program's loan portfolio.

23. Federal Flood Assistance - Additional federal flood assistance has been awarded to the state through the Community Development Block Grant program. These funds will assist 27 counties with the costs associated with the November 1995 and February 1996 floods. (General Fund-Federal).

* **Low-Income Legal Services** - The Governor's budget included additional state funding to replace lost federal funding for low-income legal services. The Senate budget does not provide these additional funds. (General Fund-State, Public Safety and Education Account)

* **Land Use Study - Buildable Lands #** - The Governor provided funding for local governments to evaluate the inventory of buildable lands, as recommended by the Land Use Study Commission. The Senate budget does not fund this item.

* **Planning and Environmental Review** - The Governor's budget proposal included \$1.5 million in funds to continue the planning and environmental review pilot program. The Senate budget does not include new funds for this program.

* **Long-Term Care Ombudsman** - The Governor's budget included funding to extend the Long-Term Care Ombudsman program to new areas of the state. The Senate budget does not fund this enhancement.

* **Emergency Food Assistance Program** - The Governor proposed additional funding for grants to food banks. The Senate budget does not fund this item.

* **Homelessness Prevention Program** - Funding for a new homelessness prevention program is not provided.

* **TeamChild Program** - The Governor proposes new state funding for the TeamChild Program. The Senate budget does not fund this item.

* **Pacific NW Economic Region** - The Governor's budget proposed eliminating state support for the Pacific Northwest Economic Region. The Senate budget maintains current-level funding for this program.

* **Public Broadcasting Grants** - The Governor's budget eliminated state grants for public broadcasting. The Senate budget maintains the state grant program.

* **Washington Technology Center** - The Governor's budget reduced funding for the Washington Technology Center by 5%. The Senate does not make this reduction.

* **Tourism Reduction** - The Governor's budget reduces funding for the state Tourism Program. The Senate budget maintains current-level funding for the program.

* **Re-Employment Support Center** - The Governor's budget proposes to eliminate funding for the King County Reemployment Support Center. The Senate budget maintains current-level funding for the program.

* **State Historic Preservation Officer** - The Governor's budget provided additional funding for the Office of Archeology and Historic Preservation. The Senate budget does not fund this item.

* **Community Watershed Assistance** - The Governor proposed funding for interagency teams to provide technical assistance to local watershed planning efforts. The Senate budget does not fund this item.

* **Basin Assessments** - The Governor proposed funding for the department to participate in basin assessments conducted by the Department of Ecology. The Senate budget does not fund this item.

1997-99 Budget
Economic & Revenue Forecast Council
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	1,015	1,015
1997-99 Maintenance Level (ERL)	910	910
Policy Changes:		
1. General Inflation	-5	-5
Total Policy Changes	-5	-5
Total 1997-99 Biennium	905	905
Difference from 1995-97	-110	-110
% Change from 1995-97	-10.8%	-10.8%

Comments:

1. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

1997-99 Budget
Office of Financial Management
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	19,506	56,103
1997-99 Maintenance Level (ERL)	19,740	54,803
Policy Changes:		
1. AmeriCorps Federal Requirements	210	0
2. 2000 Census Workload	131	131
3. Population Survey	275	275
4. Performance Measure System	89	89
5. Acceptance Testing	0	114
6. Budget and Allotment System	0	462
7. Information Systems Enhancements	0	1,150
8. Replace Health Services Account	0	-339
9. General Inflation	-107	-120
10. Decrease Contract Services	-150	-150
11. Staff Reductions	-344	-344
Total Policy Changes	104	1,268
Total 1997-99 Biennium	19,844	56,071
Difference from 1995-97	338	-32
% Change from 1995-97	1.7%	-0.1%

Comments:

1. AmeriCorps Federal Requirements - Match requirements for the federal AmeriCorps program are increasing in the 1997-99 Biennium. Funding is provided to assist local programs in distressed areas with their increased match requirements.

2. 2000 Census Workload - Recent restructuring within the federal Census Bureau will require states to perform additional duties related to the 2000 Census. One full-time demographer is added to address the increased workload.

3. Population Survey - Funding is provided to allow the Office of Financial Management (OFM) to contract for a new biennial survey of Washington State's population. Federal intercensal surveys provide regional data, but because they group Washington with California and other states, the federal data do not accurately reflect Washington's social and demographic characteristics. Washington-specific data will be used in all population and budget forecasts prepared by OFM, to establish performance measures, and to address questions and issues related to the implementation of federal welfare legislation.

4. Performance Measure System - In accordance with Chapter 317, Laws of 1996, the Office of Financial Management is in the process of implementing a statewide system of performance measures tied to agencies' budget requests. Staff and funds are provided for software development and ongoing support expenses of a computer system for tracking performance measures.

5. Acceptance Testing - Currently, changes to any of the statewide accounting systems require extensive testing to ensure that the changes are accepted by all interfacing systems. An additional staff position is provided to enable a more streamlined acceptance testing procedure. (Data Processing Revolving Account-Nonappropriated)

6. Budget and Allotment System - The current budget and allotment systems are being evaluated, and alternatives are under consideration. Staff and funding for contractors and software are provided to complete current allotment system improvements and redevelopment of budget systems. (Data Processing Revolving Account-Nonappropriated)

1997-99 Budget
Office of Financial Management

Wednesday, Mar. 26, 1997
4:22 pm

7. Information Systems Enhancements - This funding will allow the Office of Financial Management to make several improvements in its statewide budget and accounting systems. OFM will contract for engineering services to develop new input processes for the Agency Financial Reporting System (AFRS) and to modernize AFRS reporting processes to make it easier for agencies to use AFRS data. This funding will also enable a feasibility study for upgrading AFRS to a relational database platform, and provide improvements in the accounts receivable system and training for agencies in statewide accounting policies and systems. (Data Processing Revolving Account-Nonappropriated)

8. Replace Health Services Account - Health Services Account funding for health data analysis is deleted.

9. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

10. Decrease Contract Services - The Office of Financial Management contracts with the Washington Association of Sheriffs and Police Chiefs (WASPC) for jail population data. Funding for contracted jail data collection services is cut by 50 percent.

11. Staff Reductions - The Office of Financial Management will reduce staff. These reductions will be achieved through vacancies and attrition where possible.

* **Dispute Resolution** - Funding is not provided to initiate a new dispute assessment and mediation grant program for state agencies and local governments.

* **Office of Health Policy** - The Senate budget does not assume creation of a new Office of Health Policy.

1997-99 Budget
Office of Administrative Hearings
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	0	15,114
1997-99 Maintenance Level (ERL)	0	17,654
Policy Changes:		
1. Technology Plan	0	195
2. Legal Education Credits	0	46
3. DSHS Program Change	0	45
4. License Suspension #	0	1,798
5. General Inflation	0	-73
Total Policy Changes	0	2,011
Total 1997-99 Biennium	0	19,665
Difference from 1995-97	0	4,551
% Change from 1995-97	0.0%	30.1%

Comments:

1. Technology Plan - Funding is provided for technology that will result in a more timely adjudicative process and meet or exceed established case workload and timeliness standards per Administrative Law Judge. This measure is critical to such agencies as the Employment Security Department (ESD), which must meet the Department of Labor "Desired Level of Achievement" standards in the area of due process. This item includes \$109,000 in Fiscal Year 1998 and \$20,000 in Fiscal Year 1999 for one-time costs. Of the total amount \$65,000 is to fund the General Unemployment Insurance Development Effort (GUIDE) interface with ESD, which automates unemployment insurance operations and record-keeping. This system would allow OAH judges to access necessary ESD records in the adjudicative process. (Administrative Hearings Revolving Account)

2. Legal Education Credits - Funding is provided for continuing legal credits for the Administrative Law Judges at the Office of Administrative Hearings (OAH). Continuing legal credits are funded in other agencies for their staff to meet professional licensing requirements. (Administrative Hearings Revolving Account)

3. DSHS Program Change - This item funds an additional 0.5 FTE staff to implement an audit finding that the responsibility for billing and paying for goods and services should shift from the Department of Social and Health Services to OAH. (Administrative Hearings Revolving Account)

4. License Suspension # - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) requires states to have laws providing for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. This item provides funding for the additional workload due to an increase in hearings. (Administrative Hearings Revolving Account)

5. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

* **Salary Increases** - The Senate budget does not provide salary increases for the administrative law judges. Salary increases are addressed in the COLA.

1997-99 Budget
Department of Personnel
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	720	30,591
1997-99 Maintenance Level (ERL)	0	27,480
Policy Changes:		
1. Career Transition Continued Funding	0	500
2. Facility Remodel/Relocate	0	220
3. Data Warehouse Enhancements	0	800
4. General Inflation	0	-221
Total Policy Changes	0	1,299
Total 1997-99 Biennium	0	28,779
Difference from 1995-97	-720	-1,812
% Change from 1995-97	-100.0%	-5.9%

Comments:

1. Career Transition Continued Funding - Funding is provided to retain and refine the state's career transition services. The career transition center will provide outplacement counseling, skills assessments, retraining resources, resume preparation assistance, interviewing techniques and other job seeking related skills for state employees being laid off or at risk of reduction-in-force (RIF). Areas targeted for refinement are strengthening training efforts to comprehensively educate participating employees and hiring agencies, and improving the RIF transition pool matching process to better align employees and recruited positions. The Department of Personnel (DOP) will begin to measure customer satisfaction associated with the associated program services. (Personnel Services Revolving Fund)

2. Facility Remodel/Relocate - Funding is provided to temporarily relocate Department of Personnel staff and services during the time period the Franklin Street building is being renovated. Funding for the renovation will be recommended in the Department of General Administration Capital Budget. (Personnel Services Revolving Fund)

3. Data Warehouse Enhancements - Funding is provided for the human resource data warehouse to: expand the type and amount of information available on the statewide work force; and provide the Office of Financial Management, Legislature, and state agencies with direct access to the data for policy and planning purposes. (Personnel Services Revolving Fund)

4. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

* **Domestic Violence Training/Assist** - Funding is not provided to support Governor Lowry's domestic violence initiative.

1997-99 Budget
State Lottery Commission
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	0	466,202
1997-99 Maintenance Level (ERL)	0	675,636
Policy Changes:		
1. Business Process Redesign	0	211
2. New On-line Game	0	12,816
3. General Inflation	0	-105
4. Compulsive Gambling Program	0	150
Total Policy Changes	0	13,072
Total 1997-99 Biennium	0	688,708
Difference from 1995-97	0	222,506
% Change from 1995-97	0.0%	47.7%

Comments:

1. Business Process Redesign - Funding is provided to improve the marketing of lottery games. This funding will assist the state Lottery's continued effort to increase organizational focus on marketing. The additional staff include a retailer training coordinator and a gambling license technician. (Lottery Administrative Account-State)

2. New On-line Game - This item funds the costs associated with developing and marketing a new on-line game. The new game is expected to increase the Lottery's transfer to the state General Fund by \$7 million in the 1997-99 Biennium and \$16.5 million in the 1999-01 Biennium. The additional 3.0 FTE staff include: a customer service specialist, product specialist and a computer information consultant. (Lottery Administrative Account - State)

3. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

4. Compulsive Gambling Program - Funding is provided for allocation to the Gambling Commission for the implementation of a compulsive gambling education and awareness program. (Lottery Administrative account)

1997-99 Budget
Washington State Gambling Comm
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	1,000	19,914
1997-99 Maintenance Level (ERL)	0	18,070
Policy Changes:		
1. Computer and Communication Upgrade	0	542
2. Tribal Casino Regulation	0	160
3. General Inflation	0	-139
Total Policy Changes	0	563
Total 1997-99 Biennium	0	18,633
Difference from 1995-97	-1,000	-1,281
% Change from 1995-97	-100.0%	-6.4%

Comments:

1. Computer and Communication Upgrade - This item provides funding for replacement of 76 personal computers necessary to link to the agency network, a processor upgrade to the agency's mini-computer, and an upgrade for the telephone system at the Southwest region office. (Gambling Revolving Account-Nonappropriated)

2. Tribal Casino Regulation - This item provides for an additional Gambling License Technician, training, and a limited amount of remote tele-communications equipment. (Gambling Revolving Account-Nonappropriated)

3. General Inflation - This item eliminates funding for general inflation increases.

1997-99 Budget
WA State Comm on Hispanic Affairs
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	416	416
1997-99 Maintenance Level (ERL)	403	403
Policy Changes:		
1. Computer Upgrades	7	7
2. General Inflation	-3	-3
Total Policy Changes	4	4
Total 1997-99 Biennium	407	407
Difference from 1995-97	-9	-9
% Change from 1995-97	-2.2%	-2.2%

Comments:

1. Computer Upgrades - Funding is provided for computers and associated software to perform database functions and required budget and policy work.

2. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

1997-99 Budget
African-American Affairs Comm
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	311	311
1997-99 Maintenance Level (ERL)	318	318
Policy Changes:		
1. Staff Increase	18	18
2. General Inflation	-2	-2
3. Computer Upgrades	4	4
Total Policy Changes	20	20
Total 1997-99 Biennium	338	338
Difference from 1995-97	27	27
% Change from 1995-97	8.7%	8.7%

Comments:

1. Staff Increase - Funding is provided for additional staff time to perform clerical duties and to coordinate activities related to constituent work, report publication, and special events.

2. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

3. Computer Upgrades - Funding is provided for a computer and associated software to perform database functions and required policy and budget operations.

1997-99 Budget
Personnel Appeals Board
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	0	1,636
1997-99 Maintenance Level (ERL)	0	1,651
Policy Changes:		
1. Funding Level Adjustment	0	-100
2. General Inflation	0	-12
Total Policy Changes	0	-112
Total 1997-99 Biennium	0	1,539
Difference from 1995-97	0	-97
% Change from 1995-97	0.0%	-5.9%

Comments:

1. Funding Level Adjustment - A funding level adjustment is made to reflect actual ongoing agency expenditures. During the 1993-95 and 1995-97 biennia, the Personnel Appeals Board had consistent spending levels below their appropriations. (Personnel Services Revolving Fund)

2. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

1997-99 Budget
Department of Retirement Systems
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	0	33,328
1997-99 Maintenance Level (ERL)	0	31,832
Policy Changes:		
1. One-Time TRS Plan 3 Support	0	275
2. Ongoing TRS Plan 3 Support	0	25
3. Electronic Document Imaging System	0	1,373
4. Receivables Management System	0	1,259
5. Additional Employer Auditors	0	230
6. General Inflation	0	-163
Total Policy Changes	0	2,999
Total 1997-99 Biennium	0	34,831
Difference from 1995-97	0	1,503
% Change from 1995-97	0.0%	4.5%

Comments:

1. One-Time TRS Plan 3 Support - Funding is provided for one-time support for the Teachers' Retirement System (TRS) Plan 3. This funding is for contract services to set up optional benefit payouts and annuity purchases for TRS Plan 3 members. These services are statutorily required and the fiscal impact was not originally accounted for in the initial agency fiscal note or agency appropriation. (Department of Retirement Systems Expense Account)

2. Ongoing TRS Plan 3 Support - Funding is provided for additional on-going support for the Teachers' Retirement System (TRS). This funding is for ongoing costs to support continued annuity payouts for TRS Plan 3 members. These services are statutorily required and the fiscal impact was not originally accounted for in the initial agency fiscal note or agency appropriation. (Department of Retirement Systems Expense Account)

3. Electronic Document Imaging System - Funding is provided to acquire equipment and contracted services to begin implementation of an Electronic Document Image Management System (EDIMS) to replace the current member paper file folder system. EDIMS technology will allow the agency to improve client service by providing staff with better access to data, reduce the costs for storing and handling paper documents, improve security and disaster recovery capability for agency data, improve methods of archiving data, and implement a cost effective solution that provides improved access and sharing of agency data. The project will start FY99 and additional funds will be requested to complete the project. (Department of Retirement Systems Expense Account)

4. Receivables Management System - Funding is provided for the development and implementation of a receivables management system. Receivables management is the only area of activity not integrated with the rest of the agency processing. An in-house developed process will provide the needed level of integration with other agency processes. This project is the last phase of the business system consolidation and re-engineering efforts begun in 1990. The project will be completed by the end of the 1997-99 Biennium. (Department of Retirement Systems Expense Account)

5. Additional Employer Auditors - Funding and FTE staff are provided for two additional audit positions. The new positions will allow the agency to conduct audits on employers that have never been audited in the past; this includes most of the larger cities and school districts. The increase in the audit staff will allow audits to be conducted in a more timely manner, and will be able to identify and recover additional monies due to the pension trust funds. The anticipated annual recovery and return to the trust fund is estimated to be \$160,000 per additional auditor. (Department of Retirement Systems Expense Account)

1997-99 Budget
Department of Retirement Systems

6. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

* **Research and Policy Assistance** - Funding is not provided for a Research Assistant position. (Department of Retirement Systems Expense Account)

* **Savings From Document Image System** - There are no proposed savings the first year of the Document Image System project.

1997-99 Budget
State Investment Board
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	0	8,688
1997-99 Maintenance Level (ERL)	0	9,418
Policy Changes:		
1. Workload Enhancements	0	405
2. Deferred Contributions Assistance	0	64
3. Investment Accountability	0	471
4. General Inflation	0	-55
Total Policy Changes	0	885
Total 1997-99 Biennium	0	10,303
Difference from 1995-97	0	1,615
% Change from 1995-97	0.0%	18.6%

Comments:

1. Workload Enhancements - Funding is provided for workload increases in the Fixed Income Unit at the State Investment Board (SIB). Fixed income assets are internally managed, and SIB estimates the investment earnings will increase by \$2.5 billion during the 1997-99 Biennium. These assets need additional analysis due to dramatic changes in the market, including international dollar-denominated project financing, deregulation, increasing complexity in security structures, and increasing diversity of options. Funding of this item results in an anticipated \$1.5 million in added return against the performance benchmark of approximately one basis point per year on internally managed funds. One-time funding of \$13,000 is provided in the first fiscal year for equipment. (State Investment Board Expense Account)

2. Deferred Contributions Assistance - In 1995, the Legislature directed that SIB manage the accounting functions and also become the default option for teachers participating in the Teachers' Retirement System Plan III (TRS III). Previously, SIB has not managed a defined contribution plan, and does not have staff capability to address questions about the portfolio and options. This item provides funds for a half-time information officer to respond to requests by any member of the public about the portfolio, and to specifically respond to teachers' questions about the SIB option. One-time funding of \$4,000 is provided in the first fiscal year for equipment. (State Investment Board Expense Account)

3. Investment Accountability - This item provides additional staff authority for an internal auditor and a contract for a fiduciary counsel to serve the Board and its staff on matters of due diligence, compliance with internal accounting procedures and operating manuals, trustee responsibilities, and other matters. In addition, funding is provided for on-site investment activities, such as site visits to real estate holdings, attending Advisory Board annual meetings where SIB plays an active partnership role, and meeting with major brokerage firms. Funding for this item results in an anticipated \$3.3 million in avoided litigation costs; \$3.4 million additional investment earnings on externally managed funds; and \$24,000 in avoided costs due to fewer hours for the State Auditor to conduct its audit of the SIB than anticipated in the 1997-99 Biennium. One-time funding of \$5,000 is provided in the first fiscal year for equipment. (State Investment Board Expense Account)

4. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

1997-99 Budget
Department of Revenue
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	130,024	138,320
1997-99 Maintenance Level (ERL)	132,951	141,377
Policy Changes:		
1. Taxpayer Telephone Services	221	221
2. Property Tax Valuation Schedules	73	73
3. State Toxics Revenue Shortfall	0	-2
4. Pollution Liability Funding	0	-244
5. Administrative Efficiencies	-475	-475
6. Selective Program Reductions	-532	-532
7. General Inflation	-851	-925
8. Transfer Tobacco Enforcement to LCB	-60	-60
9. Sr. Citizens Property Tax	-947	-947
10. Litter Tax Compliance	0	100
Total Policy Changes	-2,571	-2,791
Total 1997-99 Biennium	130,380	138,586
Difference from 1995-97	356	266
% Change from 1995-97	0.3%	0.2%

Comments:

1. Taxpayer Telephone Services - Funding is provided for three additional staff. The Department's Telephone Information Center (TIC) provides telephone assistance to Washington taxpayers nationwide. Because of the growth in the number of taxpayers and the complexity of the tax codes, calls to the Department have increased substantially. With the additional three staff, the agency estimates that on average, callers will receive assistance after seven and one-half minutes v. an approximate 22 minutes which exists now.

2. Property Tax Valuation Schedules - Funding is provided to support a half-time staff person to update the Department's property tax valuation schedules. Approximately \$17 billion of personal property is assessed annually, yielding \$230 million of property tax revenue. This property is assessed using valuation schedules developed by the Department. The schedules are based on market studies that reflect trends and depreciation for approximately 180 different personal property types. The schedules are used by the Department's auditors and the county auditors in adding taxpayers. The agency has not done a comprehensive update of the schedules in several years.

3. State Toxics Revenue Shortfall - A reduction in the funding level from the State Toxics Control Account is necessary due to declining revenues. (State Toxics Control Account)

4. Pollution Liability Funding - The agency does not anticipate collecting the petroleum tax that supports the Pollution Liability Account during the 1997-99 Biennium. If the tax is reinstated during the biennium the agency would request a supplemental budget to cover the administrative costs of collecting this tax. (Pollution Liability Insurance Program Trust Account)

5. Administrative Efficiencies - Through job redesign and service quality efforts, the agency will realize savings in postage, printing, computer processing, and administrative staff costs.

**1997-99 Budget
Department of Revenue**

6. Selective Program Reductions - Service level reductions having no adverse revenue impacts are taken in the agency's taxpayer appeals, taxpayer services, computer support, internal audit, research, and rules writing functions.

7. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

8. Transfer Tobacco Enforcement to LCB - In the Senate budget, this item provides funding for the implementation of SB 6073. The legislation transfers cigarette tax enforcement from the Department of Revenue to the Liquor Control Board. The Governor's budget does not include this item.

9. Sr. Citizens Property Tax - Due to a lower forecast in the senior Citizens property tax deferral program, funding is decreased from \$4,197,000 to \$3,250,000.

10. Litter Tax Compliance - Additional funding is provided for the department to increase compliance and implement a quarterly collection system for the litter assessment, as provided in SSB 5842.

* **Local Tax System Rewrite** - Funding is not provided to upgrade this computer system.

* **Transfer 911 Tax Administration #** - Funding is not provided to cover the agency's costs associated with collecting and administering this tax. (Enhanced 911 Account)
House Bill 1207 transfers the responsibility for the collection of the Enhanced 911 Excise Tax from the Military Department to the Department of Revenue.

* **Increase Tax Discovery Efforts** - This item has not been funded.

* **Delinquent Accounts Enforcement** - Funding is not provided for this item.

* **Tax Deferral Program Transfer #** - Senate budget has not allowed for these funds to be distributed to the counties. (Currently the agency's budget contains funds to make deferred property tax payments to the counties on behalf of senior citizens enrolled in the Senior Citizens Tax Deferral Program. Agency request legislation would allow these funds to be distributed to the counties utilizing State Revenues for Distribution.)

1997-99 Budget
Board of Tax Appeals
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	2,034	2,034
1997-99 Maintenance Level (ERL)	2,043	2,043
Policy Changes:		
1. Tax Referee Position Savings	-260	-260
2. General Inflation	-9	-9
Total Policy Changes	-269	-269
Total 1997-99 Biennium	1,774	1,774
Difference from 1995-97	-260	-260
% Change from 1995-97	-12.8%	-12.8%

Comments:

1. Tax Referee Position Savings - Funding is provided to restore a second in-house Tax Referee position to handle complex appeals. Due to reduced costs of contracting out, savings are returned to General Fund-State.

2. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

1997-99 Budget
Municipal Research Council
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	3,230	3,230
1997-99 Maintenance Level (ERL)	3,394	3,394
Total 1997-99 Biennium	3,394	3,394
Difference from 1995-97	164	164
% Change from 1995-97	5.1%	5.1%

Comments:

1997-99 Budget
Minority & Women's Business Enterp
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	0	2,226
1997-99 Maintenance Level (ERL)	0	2,365
Policy Changes:		
1. Staff Training & Education	0	2
2. General Inflation	0	-10
Total Policy Changes	0	-8
Total 1997-99 Biennium	0	2,357
Difference from 1995-97	0	131
% Change from 1995-97	0.0%	5.9%

Comments:

1. Staff Training & Education - This funding provides for training to enhance the expertise of Office staff in certifying businesses to participate in government contracting programs. (Minority and Women's Business Enterprises Account)

2. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

1997-99 Budget
Dept of General Administration
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	3,082	111,376
1997-99 Maintenance Level (ERL)	592	115,758
Policy Changes:		
1. Commute Trip Reduction Funding	0	278
2. Risk Management Workload	0	233
3. Maintain State Food Purchases	2,000	3,400
4. Air Pollution Control Shortfall	0	-7
5. Americans with Disabilities Act	-30	-30
6. Campus Security/Maintenance	0	-213
7. General Inflation	-7	-1,892
8. World War II Memorial	25	25
Total Policy Changes	1,988	1,794
Total 1997-99 Biennium	2,580	117,552
Difference from 1995-97	-502	6,176
% Change from 1995-97	-16.3%	5.5%

Comments:

1. Commute Trip Reduction Funding - The Department of General Administration, through the Commute Trip Reduction program, coordinates over 55,000 employees in 58 state agencies, including colleges and universities, at 255 worksites in 14 counties. Grant funds were received from the State Energy Office and now are received from the Department of Transportation (DOT). A direct appropriation from the Air Pollution Control Account is made to the agency to maintain base level funding for statutory responsibilities. A corresponding reduction is made to the DOT budget. (Air Pollution Control Account)

2. Risk Management Workload - Experience has shown that the prompt investigation and settlement of tort claims by experienced and professional claims investigators will reduce the state's liabilities. Funding is provided for a Tort Claim Investigator to ensure that meritorious claims are promptly investigated and settled. (Risk Management Account)

3. Maintain State Food Purchases - Funding is provided to allow the Department to purchase bulk food commodities for distribution to the state's food bank network. This additional food is needed to offset the federal reductions to the Food Stamp Program and The Emergency Food Assistance Program (TEFAP), a federal program that provides bulk food for the state's food banks. (General Fund-State, General Fund-Federal)

4. Air Pollution Control Shortfall - A reduction in the funding levels from the Air Pollution Control Account is necessary due to declining revenues. (Air Pollution Control Account)

5. Americans with Disabilities Act - Through collaborate efforts with other state agencies the Department has identified ways to provide the services required by the Americans with Disabilities Act with reduced funding.

6. Campus Security/Maintenance - Reliance on existing surveillance cameras will eliminate the need for one campus security guard. Grounds maintenance for the east capital campus is reduced. Funds supporting the Thurston County Regional Planning Council are eliminated. (Department of General Administration Facilities and Services Revolving Account)

7. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

1997-99 Budget
Dept of General Administration

Wednesday, Mar. 26, 1997
4:22 pm

8. World War II Memorial - Funding is provided for tasks associated with the construction of the World War II Memorial.
(General Fund-state)

1997-99 Budget
Department of Information Services
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	27,000	234,510
1997-99 Maintenance Level (ERL)	0	181,969
Policy Changes:		
1. General Inflation	0	-1,164
2. Educational Network Funding	0	35,728
Total Policy Changes	0	34,564
Total 1997-99 Biennium	0	216,533
Difference from 1995-97	-27,000	-17,977
% Change from 1995-97	-100.0%	-7.7%

Comments:

1. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

2. Educational Network Funding - Funding provided in the 1996 and 1997 Supplemental Budgets for the development of a statewide educational telecommunications network will not be entirely spent by June 30, 1997. Remaining funding is carried over and available for appropriation and expenditure in the 1997-99 biennium. (K-20 Technology Account-State)

* **WIN Disability Access** - The state's 48 Washington Information Network (WIN) kiosks are already ADA accessible.

* **Audits/Assessments** - The agency should be able to fund necessary audits and assessments out of available resources.

1997-99 Budget
Office of Insurance Commissioner
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	0	20,828
1997-99 Maintenance Level (ERL)	0	21,498
Policy Changes:		
1. Washington Information Network	0	213
2. Information Systems	0	148
3. Microfilming Enhancement	0	150
4. General Inflation	0	-99
5. Information Technology Efficiencies	0	-155
6. Prudential Consent Order	0	532
Total Policy Changes	0	789
Total 1997-99 Biennium	0	22,287
Difference from 1995-97	0	1,459
% Change from 1995-97	0.0%	7.0%

Comments:

1. Washington Information Network - The Office participates in the Washington Information Network (WIN) kiosks that provide state government services and information to the public. Currently, the Office has an automobile insurance information program on WIN and proposes to add similar programs for home, life, and property insurance. Funding is provided for programming enhancements. (Insurance Commissioner's Regulatory Account)

2. Information Systems - Funding is provided for enhancements to the Office's Local Area Network (LAN) and for replacing personal computers for Rates and Contracts analysts. These enhancements and replacements, together with the document imaging equipment also requested, will allow the Office to immediately implement efficiencies to improve the percentage of proposed rates and contracts that can be reviewed within the statutorily mandated 30 days. Within the biennium, these enhancements will also be necessary for the State Electronic Rate and Form Filing (SERFF) and Producer Information Network (PIN) projects that are being implemented by a consortium of the industry and state insurance regulators. SERFF will allow rates and contracts to be filed and approved electronically, with electronic correspondence between Office staff and firms, thus expediting the review process. PIN will allow regulators and the industry to share information about licensed insurance agents. (Insurance Commissioner's Regulatory Account)

3. Microfilming Enhancement - The Office currently possesses microfilming equipment which is used to copy all rates and contracts filed by the industry for the Commissioner's review. Funding is provided for a document imaging scanner attachment that would create an electronic copy of the rates and contracts at the same time that the microfilm copy is produced. With the scanning capability, the Office can convert its paper-based reviewing process to a more efficient electronic one. The scanner is also necessary for the Office's related request for equipment for electronic filing and correspondence with firms. (Insurance Commissioner's Regulatory Account)

4. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

5. Information Technology Efficiencies - The implementation of the State Electronic Rate and Form Filing and the Producer Information Network projects will result in staff savings beginning in Fiscal Year 1999. These two projects will automate current staff intensive functions and provide more timely services. (Insurance Commissioner's Regulatory Account)

1997-99 Budget
Office of Insurance Commissioner

Wednesday, Mar. 26, 1997
4:22 pm

6. Prudential Consent Order - Under a Consent Agreement with the Prudential Insurance Company, the Insurance Commissioner will be reimbursed, on a project basis, for the cost of one regulations analyst and three compliance officers for a two-year period to assist in the Prudential remediation process and to conduct financial and market conduct examinations of the Prudential company. One-time funding is provided for these four temporary positions. (Insurance Commissioner's Regulatory Account)

1997-99 Budget
State Board of Accountancy
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	0	1,312
1997-99 Maintenance Level (ERL)	0	1,239
Policy Changes:		
1. CPA Exam Adjustments	0	-306
2. General Inflation	0	-17
3. Compensation Change	0	40
4. License Suspension #	0	22
Total Policy Changes	0	-261
Total 1997-99 Biennium	0	978
Difference from 1995-97	0	-334
% Change from 1995-97	0.0%	-25.5%

Comments:

1. CPA Exam Adjustments - Contracting out the Certified Public Accountant (CPA) examination removes both examination fee revenues and expenditures from the operating budget. (Certified Public Accountants' Account)

2. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

3. Compensation Change - Funds are provided for three staff reclassified to Washington Management Service positions. (Certified Public Accountants' Account)

4. License Suspension # - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) requires states to have laws providing for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. This item includes funding for the additional workload associated with the license suspension. (Certified Public Accountants' Account)

1997-99 Budget
Forensic Investigation Council
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	0	12
1997-99 Maintenance Level (ERL)	0	12
Total 1997-99 Biennium	0	12
Difference from 1995-97	0	0
% Change from 1995-97	0.0%	0.0%

Comments:

1997-99 Budget
Washington Horse Racing Commission
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	0	4,844
1997-99 Maintenance Level (ERL)	0	4,882
Policy Changes:		
1. General Inflation	0	-54
Total Policy Changes	0	-54
Total 1997-99 Biennium	0	4,828
Difference from 1995-97	0	-16
% Change from 1995-97	0.0%	-0.3%

Comments:

1. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

1997-99 Budget
WA State Liquor Control Board
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	0	116,236
1997-99 Maintenance Level (ERL)	0	128,650
Policy Changes:		
1. License Suspension #	0	154
2. Information Technology Upgrade	0	1,250
3. Safety Officer	0	73
4. Point of Sale Checkstands	0	532
5. General Inflation	0	-278
6. Olympia Headquarters Relocation	0	470
7. Liquor Restricted Zones #	0	387
8. Cigarette Tax Enforcement #	3,095	3,095
9. Credit Cards in Liquor Stores #	0	459
10. Youth Tobacco Enforcement	0	678
Total Policy Changes	3,095	6,820
Total 1997-99 Biennium	3,095	135,470
Difference from 1995-97	3,095	19,234
% Change from 1995-97	0.0%	16.5%

Comments:

1. License Suspension # - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) requires states to have laws providing for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. This item provides funding for the additional workload associated with the license suspensions. (Liquor Revolving Fund)

2. Information Technology Upgrade - Both the Governor and the Senate budget provide funding for upgrading the agency's information technology, which is mainframe-based and heavily dependent on custom programs. The Senate budget reduces the amount provided, and makes funding for this item contingent upon the agency conducting a feasibility study outlining the cost-benefits of the upgrade pursuant to Sec. 902 of the operating budget bill. Future funding decisions regarding the upgrade will be based upon the successful implementation of the initial phases of the plan. (Liquor Revolving Fund)

3. Safety Officer - The Liquor Control Board's industrial insurance rating has increased over 40 percent since the 1993-95 Biennium. The agency has one safety officer to monitor approximately 1,270 employees at 183 locations throughout the state. Funding is provided for a second position to better manage open claims, increase site inspections and provide safety training. (Liquor Revolving Fund)

4. Point of Sale Checkstands - A new point-of-sale (POS) system was installed in stores in the 1995-97 Biennium. Funding is provided in the 1997-99 Biennium to purchase ergonomically designed checkstands that will prevent carpal tunnel and rotator cuff injuries. This will complete the implementation of the POS system in liquor stores throughout the state. (Liquor Revolving Fund)

5. General Inflation - This item eliminates funding for general inflation increases.

6. Olympia Headquarters Relocation - Funds are provided to co-locate Liquor Control Board staff in Thurston County. The Headquarters and enforcement offices will be moved to a single facility. The Senate budget reduces this item to reflect actual costs associated with the move. (Liquor Revolving Fund)

1997-99 Budget
WA State Liquor Control Board

7. Liquor Restricted Zones # - The Senate budget provides funding for the implementation of SSB 5791. The legislation allows the Liquor Control Board to designate liquor restricted zones based on findings that the area designated suffers serious impact from liquor zones. The Governor's budget does not include this item. (Liquor Revolving Fund)

8. Cigarette Tax Enforcement # - In the Senate budget, this item provides funding for the implementation of SB 6073. The legislation transfers cigarette tax enforcement from the Department of Revenue to the Liquor Control Board. The Governor's budget does not include this item. (Liquor Revolving Fund)

9. Credit Cards in Liquor Stores # - The Senate budget provides funding for costs associated with allowing credit cards in state liquor stores pursuant to SB 5664. The Governor's budget does not include this item. (Liquor Revolving Fund)

10. Youth Tobacco Enforcement - The Senate budget provides 5 FTEs in both years of the biennium for youth tobacco enforcement in order to better reflect actual expenditures on this activity. The Governor's budget does not provide funding for this item. (Liquor Revolving Fund)

* **Premium Pay for Store Opening** - The Governor's budget provides for the increased cost of premium pay for liquor store clerks who open the stores alone. The Senate budget does not include this item because this type of compensation should be approved through the Department of Personnel procedures. (Liquor Revolving Fund)

* **Equipment Replacement** - The Governor's budget provides funding for the replacement of vehicles with an excess of 100,000 miles and 80 refrigeration/cooling units in liquor stores. The Senate budget does not include this item because the agency has sufficient funding in their base for the replacement. (Liquor Revolving Fund)

1997-99 Budget
Utilities and Transportation Comm
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	0	26,670
1997-99 Maintenance Level (ERL)	0	24,754
Policy Changes:		
1. General Inflation	0	-149
Total Policy Changes	0	-149
Total 1997-99 Biennium	0	24,605
Difference from 1995-97	0	-2,065
% Change from 1995-97	0.0%	-7.7%

Comments:

1. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

1997-99 Budget
Board for Volunteer Firefighters
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	0	453
1997-99 Maintenance Level (ERL)	0	530
Policy Changes:		
1. General Inflation	0	-1
Total Policy Changes	0	-1
Total 1997-99 Biennium	0	529
Difference from 1995-97	0	76
% Change from 1995-97	0.0%	16.8%

Comments:

1. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

1997-99 Budget
Military Department
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	15,542	195,253
1997-99 Maintenance Level (ERL)	16,210	133,809
Policy Changes:		
1. February Flood Local Match #	0	5,418
2. November 1996 Ice Storm #	0	5,688
3. December 1996 Holiday Storms #	0	44,738
4. Satellite Maintenance Contracts	-400	-400
5. Comprehensive Plan/Duty Officers	648	648
6. Administrative Efficiencies	-443	-886
7. General Inflation	-110	-437
8. Conditional Scholarship	200	200
9. Disaster Recovery Appropriation #	9,948	12,948
Total Policy Changes	9,843	67,917
Total 1997-99 Biennium	26,053	201,726
Difference from 1995-97	10,511	6,473
% Change from 1995-97	67.6%	3.3%

Comments:

1. February Flood Local Match # - In the 1996 Supplemental Budget, the Legislature appropriated state funds to provide the match necessary for local governments to be eligible for Federal Emergency Management Agency funds for the February 1996 floods. Additional funds are provided to continue this event-specific decision to provide local governments extra financial assistance because of the enormous costs involved. A new account is being created to facilitate payment of disaster related expenses. (Disaster Response Account-State)

2. November 1996 Ice Storm # - Funds are provided to cover the damages sustained by Spokane, Pend Oreille, and Klickitat counties from the November 1996 Ice Storm. The agency anticipates completion of all repair/replacement projects associated with this natural disaster during this biennium. (Disaster Response Account-State, Disaster Response Account-Federal)

3. December 1996 Holiday Storms # - Funds are provided for costs associated with the December 1996 Holiday Storms. Agency staff will evaluate and process the Federal Emergency Management Agency eligible claims of 18 state agencies and 38 counties. (Disaster Response Account-State, Disaster Response Account-Federal)

4. Satellite Maintenance Contracts - Local governments were unable to provide the local match required for the Military Department to purchase the emergency satellite communications system that was funded in the 1995-97 Biennium. Consequently, funding for the maintenance contracts for the communications system is eliminated.

5. Comprehensive Plan/Duty Officers - In the 1995-97 biennium, one time federal funds were used to fund four duty officers that provide 24 hour coverage for immediate emergency response. This item provides on-going General Fund-State funding for this activity.

6. Administrative Efficiencies - The agency will reduce expenditures for goods and services and eliminate two support positions. (General Fund-State, General Fund-Federal)

7. General Inflation - This item eliminates funding for general inflation increases.

**1997-99 Budget
Military Department**Wednesday, Mar. 26, 1997
4:22 pm

8. Conditional Scholarship - In the Senate budget, this item provides funding for the Military Department to provide educational scholarships to enlisted soldiers and officers below the rank of captain. The Governor's budget does not include this item.

9. Disaster Recovery Appropriation # - The Senate budget appropriates an additional \$10 million in General Fund-State to the Disaster Response Account for distribution for disaster recovery activities. When combined with the \$10.7 million in General-Fund State that was appropriated into the Disaster Response Account in the 1997 Senate Supplemental Operating budget, the total will fund the expected disaster recovery activities during the 1997-99 biennium. The Senate budget also recognizes \$3 million in the Flood Control Assistance Account that was not expended during the 1995-97 biennium for disaster recovery activities, and therefore is available for current biennium disaster recovery activities. The Governor appropriated all the General-Fund State dollars into the Disaster Response Account in his 1997 Supplemental Operating Budget proposal. In both budgets, the Disaster Response Account funding is provided for each specific disaster on separate line items (maintenance level, 1, 2 & 3) out of the Disaster Response Account. (General Fund-State, Flood Control Assistance Account-State, and Disaster Response-State)

1997-99 Budget
Public Employment Relations Comm
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	3,417	3,417
1997-99 Maintenance Level (ERL)	3,480	3,480
Policy Changes:		
1. Telecommunication Savings	-10	-10
2. Interest Arbitration (ESHB 1730)	86	86
3. General Inflation	-24	-24
Total Policy Changes	52	52
Total 1997-99 Biennium	3,532	3,532
Difference from 1995-97	115	115
% Change from 1995-97	3.4%	3.4%

Comments:

1. Telecommunication Savings - Funding is adjusted to reflect telecommunication cost savings estimated by the Department of Information Services.

2. Interest Arbitration (ESHB 1730) - Funds are provided to handle increased workload. ESHB 1730 extends interest arbitration to include law enforcement officers in a city or town with 2,500 or more residents and in a county with 10,000 or more residents. This legislation will increase PERC case load by an average of 60 cases per biennium.

ESHB 1730 was passed in the 1995 session and will be implemented 7/1/97 (RCW 41.56.030). Police Officers in 68 additional jurisdictions will become eligible for interest arbitration on 7/1/97.

3. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

1997-99 Budget
Growth Management Hearings Board
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	2,740	2,740
1997-99 Maintenance Level (ERL)	2,792	2,792
Policy Changes:		
1. General Inflation	-19	-19
Total Policy Changes	-19	-19
Total 1997-99 Biennium	2,773	2,773
Difference from 1995-97	33	33
% Change from 1995-97	1.2%	1.2%

Comments:

1. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

1997-99 Budget
State Convention and Trade Center
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	0	25,606
1997-99 Maintenance Level (ERL)	0	25,556
Policy Changes:		
1. Facility Maintenance & Improvements	0	575
2. Increased Business and Contingency	0	800
Total Policy Changes	0	1,375
Total 1997-99 Biennium	0	26,931
Difference from 1995-97	0	1,325
% Change from 1995-97	0.0%	5.2%

Comments:

1. Facility Maintenance & Improvements - Funds are provided for replacement of carpeting and wall coverings and will allow the Convention Center to connect its existing parking garage to the Freeway Park garage, which has been acquired from the City of Seattle. (State Convention and Trade Center Operations Account)

2. Increased Business and Contingency - The Convention Center anticipates increased staffing and operating costs resulting from higher levels of convention business using the facility. In addition, the funding would be used on a contingency basis to supplement existing equipment budgets and replace high priority items as needed. (State Convention and Trade Center Operations Account)

* **Cost of Living Adjustments** - Funding is not provided for salary and wage rate increases for personnel employed by the State Convention and Trade Center.

* **Software Replacement** - The agency should fund this item within existing resources.

1997-99 Budget
Caseload Forecast Council
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	0	0
1997-99 Maintenance Level (ERL)	0	0
Policy Changes:		
1. Establish Agency	879	879
Total Policy Changes	879	879
Total 1997-99 Biennium	879	879
Difference from 1995-97	879	879
% Change from 1995-97	0.0%	0.0%

Comments:

1. Establish Agency - PSSB 5472 establishes a caseload forecast council. The caseload forecast supervisor shall prepare forecasts of the number of persons expected to meet entitlement requirements for specific state funded services.

1997-99 Budget
WA State Health Care Authority
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	6,819	355,583
1997-99 Maintenance Level (ERL)	7,070	543,138
Policy Changes:		
1. BHP Enrollment Expansion	0	13,796
2. PEBB Customer Service	0	807
3. Reduce Promotions and Commissions	0	-1,008
4. Restructure Subsidized BHP	0	-8,423
5. General Inflation	-251	-1,189
6. Financial Sponsorship Fees	0	-12,100
7. BHP Benefits Package Changes	0	-9,500
8. BHP Subsidy Scale	0	-13,246
9. Balance Health Services Account	5,814	0
Total Policy Changes	5,563	-30,863
Total 1997-99 Biennium	12,633	512,275
Difference from 1995-97	5,814	156,692
% Change from 1995-97	85.3%	44.1%

Comments:

1. BHP Enrollment Expansion - The Senate budget provides funding for an additional 5,000 persons to be enrolled in the subsidized Basic Health Plan (BHP) effective July 1, 1997. This will increase the average monthly number of persons receiving such coverage to 135,000. (Other Funds: Health Services Account, BHP Trust Account-Non-Appropriated)

2. PEBB Customer Service - Additional Public Employees Benefits Board (PEBB) funding is included for increased workload in benefit services support, accounting support, appeals, and for rebidding the Uniform Medical Plan third-party administrator contract. This increase is necessary due to additional customers (e.g., 15,000 additional K-12 retirees) and increased workload as a result of changes in the provision of state employee benefits implemented in the 1995-97 Biennium. (State Health Care Authority Administrative Account)

3. Reduce Promotions and Commissions - Because subsidized Basic Health Plan enrollment has reached its budgeted capacity of 130,000, and there are an estimated 70,000 people waiting to enroll, this step eliminates funds included in the base-level budget for commissions to insurance brokers and for marketing. The Senate adjustment is lower than proposed by the Governor because it recognizes that some broker commissions will need to be paid out in 1997-99 for persons who were placed on waiting lists prior to the effective date of legislation eliminating the broker commissions program. (Other Funds: Health Services Account)

4. Restructure Subsidized BHP - Both the Governor's and the Senate budget anticipate the following changes to the Basic Health Plan: (1) minimum premium payments are increased from \$10 to \$12 per month for adults with incomes between 66 - 100 percent of the federal poverty level, and from \$10 to \$15 for those with incomes between 100 - 125 percent of the poverty level; (2) patient co-pays are increased (a) from \$8 to \$10 for office visits; (b) from \$50 to \$100 per admission for hospitalizations; (c) from \$25 to \$50 per visit for emergency room use; (d) from \$25 to \$50 per transport for ambulance use; and (e) from \$8 to \$25 for outpatient clinic visits. The Health Care Authority is authorized to modify the package in ways different than or in addition to this which it determines would better promote enrollee health and access to care, while maintaining enrollment levels within budgeted funds. (Other Funds: Health Services Account-State; Basic Health Plan Trust Account-Nonappropriated)

1997-99 Budget
WA State Health Care Authority

5. General Inflation - The Senate budget requires agencies to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Other Funds: Health Services Account, Health Care Authority Administrative Account, BHP Subscription Non-Appropriated Account)

6. Financial Sponsorship Fees - Health plans, hospitals, clinics, and any other group paid to deliver BHP services will be required to pay a minimum of \$50 per month to sponsor BHP enrollment for individuals qualifying for state subsidy. The state will continue to subsidize the remaining 60-70% of the enrollees' insurance premium. (Other Funds: Health Services Account)

7. BHP Benefits Package Changes - The legislative budget assumes a reduction in BHP premiums equivalent to what would be achieved by eliminating coverage of the mental health benefits which were added in 1996. The Health Care Authority is authorized to modify the package in ways different than or in addition to this which it determines would better promote enrollee health and access to care, while maintaining enrollment levels within budgeted funds. (Other Funds: Health Services Account)

8. BHP Subsidy Scale - The Senate budget assumes a reduction in BHP subsidy costs equivalent to what would be achieved by reducing the state subsidy for persons between 125-200% of poverty by an average of about 30%. This would return the percentage of premium costs subsidized by the state to the 1993-95 level, prior to the substantial increase which was made in the state subsidy in 1996. The Health Care Authority is authorized to modify the subsidy scale in ways different than or in addition to this which it determines would better promote enrollee health and access to care, while maintaining current enrollment levels within budgeted funds. (Other Funds: Health Services Account)

9. Balance Health Services Account - In order to maintain current Basic Health Plan enrollment and services to the maximum extent possible within available revenues, state general funds are provided to replace the Health Services Account revenues which would otherwise be used for the grants to community clinics program. (Other Funds: Health Services Account)

*** BHP Customer Service** - The Governor's budget proposes increased funding to more thoroughly and frequently verify BHP enrollee income eligibility. The Senate budget directs that this activity be prioritized and completed within the base administrative funding level already available to the agency. (Other Funds: Health Services Account)

*** Increase Managed Competition** - Both the Governor's and the Senate budget anticipate that Health Services Account expenditures will be reduced by at least \$20 million by basing the state BHP subsidy on the premium charged by the lowest cost plan readily available to the large majority of enrollees, rather than on the premium of the highest-priced plan as is currently the case. This will reduce state costs by giving health plans additional incentives to limit premium increases, and by shifting the extra cost for enrollees who choose a higher cost plan from the state to the enrollee. Because Health Services Account expenditures are offset by a corresponding increase in enrollee premium payments, the total dollar impact of this change nets to zero. (Other Funds: Health Services Account, BHP Trust Non-Appropriated Account)

1997-99 Budget
Human Rights Commission
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	4,044	5,839
1997-99 Maintenance Level (ERL)	4,075	5,793
Policy Changes:		
1. General Inflation	-20	-35
Total Policy Changes	-20	-35
Total 1997-99 Biennium	4,055	5,758
Difference from 1995-97	11	-81
% Change from 1995-97	0.3%	-1.4%

Comments:

1. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

* **Early Dispute Resolution Unit** - Funding was not provided for three discrimination mediation staff.

1997-99 Budget
Bd of Industrial Insurance Appeals
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	0	20,313
1997-99 Maintenance Level (ERL)	0	20,400
Policy Changes:		
1. Relational Database System	0	83
2. Workload Increase	0	1,141
3. New Appeal Specialists	0	184
4. General Inflation	0	-216
Total Policy Changes	0	1,192
Total 1997-99 Biennium	0	21,592
Difference from 1995-97	0	1,279
% Change from 1995-97	0.0%	6.3%

Comments:

1. Relational Database System - Funding is provided for consultation services and purchase of a new platform and upgraded file servers for the Board to migrate to the Relational Database Management System and file server environment. (Accident and Medical Aid Accounts)

2. Workload Increase - The Board has experienced a 6 percent growth in the number of appeals each year since 1992 without any increase in staff. The appeal workload is estimated to continue to grow at approximately 5 percent per year. To accommodate the workload increase, this item provides additional staff, two hearing rooms, two conference rooms and three offices to the Seattle office. In addition, funding for one hearing room and two conference rooms in the Spokane office is included. This action will assist the agency in providing timely resolution to disputes. (Accident and Medical Aid Accounts-State)

3. New Appeal Specialists - Funding is provided for two new appeal specialists that will relieve judges from some administrative duties, thereby freeing up the judges' time to be used in dispute resolution. (Accident and Medical Aid Accounts)

4. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

1997-99 Budget
Criminal Justice Training Comm
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	0	11,524
1997-99 Maintenance Level (ERL)	0	13,708
Policy Changes:		
1. Vendor Rate Increase	0	32
2. General Inflation	0	-184
3. Law Enf. Supervision Training	0	92
4. Study Expanded Training & Funding	0	130
Total Policy Changes	0	70
Total 1997-99 Biennium	0	13,778
Difference from 1995-97	0	2,254
% Change from 1995-97	0.0%	19.6%

Comments:

1. Vendor Rate Increase - The Senate budget provides funding for a 3.0 percent cost-of-living increase on July 1, 1997 for Washington Association of Sheriffs and Police Chiefs (WASPC) staff who are funded through the Commission, but who are not Commission employees. (Public Safety and Education Account)

2. General Inflation - This item eliminates funding for general inflation increases.

3. Law Enf. Supervision Training - In the Senate budget, this item provides funding for 315 police officers to attend supervisory and management training. Under current law, attendance at the course is not mandatory but is encouraged. The Governor's budget assumes that funding for this item will come from the passage of legislation authorizing the Commission to collect fees from students attending the training center. The Senate budget does not make this assumption. (Public Safety & Education Account)

4. Study Expanded Training & Funding - In the Senate budget, this item funds an expanded study of law enforcement training. In addition to continuing the work begun in 1996, the study will also produce a comprehensive list of courses offered, the actual cost of offering each type of class, and what fees, if any, should be charged. Finally, the study will focus on training needs of the corrections system. The Governor's budget assumes funding for this item will come from the passage of legislation authorizing the Commission to collect fees from students attending the training center. The Senate budget does make this assumption. (Public Safety & Education Account)

* **Academy/Curriculum Expansion #** - The Governor's budget provides funding for the the Criminal Justice Training Commission, in conjunction with the Washington Association of Sheriffs and Police Chiefs, to continue their examination of curriculum and training needs with recommendations to be implemented in Fiscal Year 1999. The Governor's budget also assumes the passage of legislation authorizing the Commission to collect fees from students attending the training center to fund these recommendations. The Senate budget does not make this assumption, and addresses the issue in a separate policy item. (General Fund-Private/Local)

* **Domestic Violence Initiative** - As part of the Governor's Domestic Violence Initiative, funds are provided for increased training and reporting. The Senate budget does not include this item. (General Fund-Federal)

1997-99 Budget
Department of Labor and Industries
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	11,327	374,611
1997-99 Maintenance Level (ERL)	13,564	377,754
Policy Changes:		
1. Claims Service Delivery	0	1,950
2. Contractor Service Improvement	50	700
3. Injury & Disability Prevention	0	1,125
4. Legal Services Support	0	630
5. License Suspension #	78	156
6. General Inflation	-39	-1,943
Total Policy Changes	89	2,618
Total 1997-99 Biennium	13,653	380,372
Difference from 1995-97	2,326	5,761
% Change from 1995-97	20.5%	1.5%

Comments:

1. Claims Service Delivery - The department is moving toward a new claims management model. This item provides funding to complete the technology portion of the request. Funds are included for detailed planning, design, development, piloting and deployment of technology applications. The department should implement all possible internal measures regarding staffing re-deployment. (Accident and Medical Aid Accounts-State)

2. Contractor Service Improvement - This item funds a feasibility study and general design of an Electrical Permitting and Inspection System and a Credentialing Information System. (General Fund-State, Electrical License Account-State, Accident and Medical Aid Accounts-State)

3. Injury & Disability Prevention - Funding is provided for the following items:

(1) Occupationally Focused Health Care Systems: Funding is provided for consulting services to assist the agency in developing alternative delivery system models that respond to the University of Washington's managed care pilot evaluation findings.

(2) Effectiveness of Medical Reimbursement Programs: Funding is provided for consulting services to develop and maintain a comprehensive, responsive, structured, data driven reimbursement analysis approach. The analyses would focus on the Professional Fee Schedule, Hospital Inpatient Prospective Payment System, Pharmacy Fee Schedule, Medical and Surgical Supplies, and the Department of Labor and Industries' Unique Coding Systems. (Accident and Medical Aid Accounts-State)

4. Legal Services Support - One paralegal is provided due to an industrial insurance litigation increase as requested by the Board of Industrial Insurance Appeals. Also included in this item is the funding for two Assistant Attorneys General at the Attorney General's Office, which will be paid through the legal services revolving account. (Accident and Medical Aid Accounts-State)

5. License Suspension # - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) requires states to have laws providing for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. This item includes funding for the additional workload associated with the license suspension. (General Fund-State, Plumbing Certificate Account-State, Electrical License Account-State)

1997-99 Budget
Department of Labor and Industries

Wednesday, Mar. 26, 1997
4:22 pm

6. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

* **External Access and Communications** - Funding is not provided for an expanded external access project. The project currently serves 50 organizations which are mostly made up of employers. The expansion would allow attorneys, medical providers and non-retrospective rating employers to also use the system. This is not a Senate priority.

* **Factory Assembled Structures** - The department proposed a reduction to their maintenance level request as a part of Governor Locke's budget options review. Recognizing the increasing workload in this area, the Senate did not take the reduction. However, additional funding is not provided in the policy level.

* **Prevailing Wage** - No additional funding is provided for the Prevailing Wage program. The department has sufficient resources in this area.

* **Process Improvements** - The department should be evaluating agency operational improvements within existing resources.

1997-99 Budget
Indeterminate Sentence Review Board
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	2,339	2,339
1997-99 Maintenance Level (ERL)	1,141	1,141
Policy Changes:		
1. Agency Reauthorization #	1,056	1,056
2. General Inflation	-16	-16
3. Risk Classification #	64	64
Total Policy Changes	1,104	1,104
Total 1997-99 Biennium	2,245	2,245
Difference from 1995-97	-94	-94
% Change from 1995-97	-4.0%	-4.0%

Comments:

1. Agency Reauthorization # - The Governor's budget assumes passage of HB 1876 or SB 5410. The legislation reauthorizes the Board for an additional ten years and includes provisions for part-time board members. The Senate budget, however, assumes the passage of SSB 5006 (Enhancing the Supervision and Sentences of Sex Offenders). The legislation also provides for the continuation of the Board, but it has provisions which add new duties and responsibilities to the Board, with respect to felony sex offenders sentenced after July 1, 1997. The Senate budget provides sufficient funding for these new duties and responsibilities.

2. General Inflation - This item eliminates funding for general inflation increases.

3. Risk Classification # - The Senate budget provides funding for the implementation SSB 5759. The legislation requires the Indeterminate Sentence Review Board to assign a risk classification level to sex offenders released under their jurisdiction. The Governor's budget does not include this item.

1997-99 Budget
WA Health Care Policy Board
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	0	4,449
1997-99 Maintenance Level (ERL)	0	4,412
Policy Changes:		
1. Eliminate Board #	0	-4,387
2. General Inflation	0	-25
Total Policy Changes	0	-4,412
Total 1997-99 Biennium	0	0
Difference from 1995-97	0	-4,449
% Change from 1995-97	0.0%	-100.0%

Comments:

- 1. Eliminate Board #** - The Senate budget eliminates funding for the Health Care Policy Board effective July 1, 1997.
- 2. General Inflation** - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

1997-99 Budget
Department of Health
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	90,325	446,645
1997-99 Maintenance Level (ERL)	101,601	480,890
Policy Changes:		
1. Farmworker Housing	141	141
2. Public Water System Supervision	0	1,467
3. Automated System Development	0	2,134
4. Youth Tobacco Prevention	0	400
5. Public Water System Regulation	0	4,533
6. Health Services Account Reduction	0	-9,605
7. Child Death Review Team #	500	500
8. Reduce State Toxics Control Account	0	-65
9. License Suspension #	31	290
10. Boarding Home Quality Assurance	406	812
11. Transfer to General Fund-State	13,829	0
12. EMS Trauma	-220	-220
13. Maternal and Child Health Contracts	-588	-588
14. Environmental Radiation	-508	-508
15. Administrative Reduction	-703	-703
16. General Inflation	-482	-1,891
17. AIDS Prescription Drug Program	-4,039	-4,039
18. Improve Access to Oral Health	300	300
19. Trauma Care Services	0	25,642
20. Natural Medicine Clinic	750	750
21. Abstinence Education	450	1,150
22. Background Checks	262	1,627
Total Policy Changes	10,129	22,127
Total 1997-99 Biennium	111,730	503,017
Difference from 1995-97	21,405	56,372
% Change from 1995-97	23.7%	12.6%

Comments:

1. Farmworker Housing - This item funds the cost of an additional licensor/surveyor for temporary worker housing in order to meet the workload as additional housing is developed.

2. Public Water System Supervision - This item includes additional federal funding for the Drinking Water program as a result of the reauthorization of the federal Safe Drinking Water Act. Activities funded are the development of a water data management system and compliance efforts to meet requirements of the federal Safe Drinking Water Act. (General Fund-Federal)

3. Automated System Development - Funding is included for a Health Professions Licensing and Disciplinary Management System to be used primarily for complaint tracking and management. The current system does not meet departmental needs for either complaint tracking or disciplinary functions and the software lease expires July 1998. The new system will be developed and implemented by July 1998 and is expected to avoid future cost increases for these activities. This item will require increases in some fees which fund the Health Professions/Medical Disciplinary Account, but at less than the 601 limit. (Medical Disciplinary Account)

**1997-99 Budget
Department of Health**

4. Youth Tobacco Prevention - Funding is included from the Youth Tobacco Prevention Account for additional activities related to tobacco use prevention, education, and enforcement. Additional revenue is available in this account to fund these activities. Seventy percent of the funds will go to local health jurisdictions for coordinated tobacco intervention strategies to prevent and reduce tobacco use by youth; 30 percent will go to the Liquor Control Board (by interagency agreement) for enforcement of laws relating to access to tobacco by youth. (Youth Tobacco Prevention Account)

5. Public Water System Regulation - This item includes funding for changes due to the passage of the federal Safe Drinking Water Act of 1996, which establishes the State Revolving Fund and other program requirements for the Drinking Water program. (General Fund-Federal)

6. Health Services Account Reduction - In order to bring Health Services Account expenditures into line with forecasted revenues, activities funded by the account are eliminated or reduced.

Activities reduced or eliminated by the Governor's budget and the Senate budget are as follows: health personnel training (\$1.0 million), American Indian Health Care Plan (\$0.2 million), BHP enrollment assistance (\$0.3 million), multicultural assistance (\$0.1 million) and the Health Professions Resource Plan (\$0.6 million). The Health Professions Resource Plan is to be completed within existing funding. The Governor's budget and the Senate budget reduced the following items by different amounts: Health Quality Data Standards (Governor-\$0.15 million; Senate-\$1.6 million), teen pregnancy prevention (Governor-\$0.5 million; Senate-\$0.7 million to be supplanted with federal abstinence funding), Information System for Public Health Officials (Governor-\$0.2 million; Senate-\$1.6 million to be supplanted through user fees to local health jurisdictions using the system), Children with Special Health Care Needs (Governor-\$1.9 million; Senate-\$1.3 million with family support and provider training activities continuing).

Activities reduced by the Governor's budget are: Board of Health (\$0.14 million), immunization support (\$0.2 million), PHIP planning (\$0.3 million), PHIP state and local capacity funding (\$3.5 million), youth suicide prevention program (\$1.0 million).

Activities reduced by the Senate budget are: funding for information kiosks (\$.005 million), health professions recruitment (\$1.5 million) and pesticide reporting to be combined with similar functions funded from the State Toxics Account (\$0.7 million). (Health Services Account, Public Health Account)

7. Child Death Review Team # - This item funds SSB 5409 - Child Death Reviews. The bill provides for one FTE at the Department of Health to oversee the Child Death Review process and \$250,000 in funding for local child death review teams.

8. Reduce State Toxics Control Account - Expenditures from the State Toxics Control Account are reduced to balance to estimated revenues. (State Toxics Control Account)

9. License Suspension # - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) requires states to have laws providing for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. This item includes funding for the additional workload associated with the license suspension. (General Fund-State, General Fund-Private/Local, Health Professions Account)

10. Boarding Home Quality Assurance - Funding is included to improve the timeliness of response to complaints, increase the number and quality of technical assistance visits, and increase the depth and detail of annual inspections. These activities are funded with General Fund-State and through license fee increases. Fees are recommended to increase by 20 percent on July 1, 1997 (to \$44.82 per bed) and by another 10 percent on July 1, 1998 (to \$49.30 per bed). (General Fund-State, General Fund-Local)

**1997-99 Budget
Department of Health**Wednesday, Mar. 26, 1997
4:22 pm

11. Transfer to General Fund-State - This item shifts the cost of certain Department of Health functions from the Health Services Account to General Fund - State. Functions transferred are poison center (\$3.9 million), malpractice insurance for volunteer health professionals (\$0.2 million), EMS personnel licensing and training (\$3.0 million), State Board of Health (\$1.0 million), Vaccines (\$4.1), Youth Suicide Prevention (\$1.0 million) and Children with special health care needs relating to family support and provider training (\$0.6 million). The Governor's budget transfers the poison center, EMS training and personnel licensing, the pesticide program and health policy activities to General Fund - State. (Health Services Account, General Fund - State)

12. EMS Trauma - This item reduces funding to local Emergency Medical Services regions. Funding is used for training technicians, operating trauma prevention programs, planning and developing local emergency medical systems and integrating them into the statewide trauma care system.

13. Maternal and Child Health Contracts - This item is a reduction in MCH activities and will be achieved through greater use of managed care organizations' services and other adjustments related to targeting of funds to local contractors.

14. Environmental Radiation - This item is a reduction to the environmental monitoring program and will be achieved through the elimination of ionizing radiation emissions monitoring and the elimination of the state health laboratory support for this program.

15. Administrative Reduction - This item reduces administration for the Department. This reduction will be achieved by eliminating some administrative functions for the Non-Infectious Disease and Injury Prevention program, reductions in agency indirect costs due to reductions in program costs, reductions in the development of cost-benefit analyses for Environmental Health program, efficiencies and a slight delay in implementing a computer system in WIC, and reductions in the cost of Sunset/Sunrise review activities in the Health Services Quality Assurance program.

16. General Inflation - This item provides for increased funding due to inflationary cost increases in maintenance level and eliminates the increase due to inflation in policy level.

17. AIDS Prescription Drug Program - This item reduces the funding provided in the current services level budget for the Aids Prescription Drug Program (APDP). The program is lidded at estimated expenditures through April, 1997. The Department must operate the program within the funding appropriated and may use various methods to manage the program. Techniques the Department may use include a cap on the number of recipients who receive protease inhibitors, seeking a lower drug cost or limiting enrollment.

18. Improve Access to Oral Health - This item provides funding for community-based oral health grants that may fund sealant programs, education, prevention and other oral health interventions. Such grants may be awarded to state or federally funded community and migrant health centers, tribal clinics, or public health jurisdictions. Priority shall be given to communities with established oral health coalitions. Grant applications for oral health education and prevention grants must include: 1) an assessment of the community's oral health education and prevention needs; 2) identification of the population to be served; and 3) a description of the grant program's predicted outcomes.

19. Trauma Care Services - This item funds SSB 5127 - Funding Trauma Care Services. The bill directs that a fee be charged for all title transactions involving automobiles. The fee will be deposited into the Emergency Medical and Trauma Care Services Account for providing grants to local trauma care providers to improve the state's trauma care system. Grants require regional matching funds of at least 25% of the total amount provided. (Emergency Medical Services and Trauma Care Account)

20. Natural Medicine Clinic - This item provides funding for a natural medicine clinic located in Kent. Only the first year of funding is provided.

21. Abstinence Education - This item provides funding for ESSB 5592 - Abstinence Education. The bill requires the Department to apply for federal funds which are available under federal welfare reform for an abstinence education program. This item provides the state match required under the federal grant program. (General Fund - State, General Fund - Federal)

**1997-99 Budget
Department of Health**

22. Background Checks - This item provides funding for 2SSB 5528 - Background Checks. The bill provides for background checks on health professionals and EMS technicians. Funding is provided partially through fee increases in the professions funded through the Health Professions Account. (General Fund - State, Health Professions Account)

* **AIDS Pediatric Services** - In the Governor's budget, funding to the Department of Health from the Violence Reduction and Enforcement Account is eliminated. The portion of this funding used for Maternal and Child Health services will be funded from the Maternal and Child Health federal grant. General Fund-State is included for the Pediatric AIDS portion. The Senate budget recommendation does not include this item, since VRDE funding is adjusted through other methods. (General Fund-State, Violence Reduction and Enforcement Account)

* **Family Planning Services** - In the Governor's budget, funding is included for birth control methods and family planning services. The Senate budget does not include funding for expanded access to family planning services.

* **Local MVET Funding #** - In the Governor's budget, funding for local public health activities is transferred to the Motor Vehicle Excise Tax. These revenues would be appropriated directly to local public health jurisdictions as a Revenue for Distribution. The Senate budget does not assume passage of the Governor's request bill. (Public Health Services Account; Health Services Account)

* **Community Watershed Assistance** - In the Governor's budget, this item is part of a proposal to address water/salmon issues. The Department would participate in two interagency teams which would provide information and technical assistance to local watershed planning efforts. The Senate budget does not include this type of assistance.

* **Water Conservation** - In the Governor's budget, this item is part of a proposal to address water/salmon issues. The Department would participate in two interagency teams which would provide information and technical assistance to local watershed planning efforts. The Senate budget does not include this type of assistance.

* **AIDSNETS** - In the Governor's budget, the regional AIDSNETS' budgets are reduced through better targeting of prevention resources with the use of available assessment and prevention plans. The Senate budget does not assume this activity will occur and so does not make this reduction.

* **Center for Health Statistics** - In the Governor's budget, additional funding is provided for the Center for Health Statistics to accommodate the loss of revenue in the provision of vital records. Most birth and death certificates are issued by local jurisdictions with the revenue for these records being retained by those jurisdictions. The Senate budget does not include this item because the cost of issuing vital records is covered by the fees charged. The Department must work with local jurisdictions to ensure revenue is placed where needed to cover costs of the process.

* **Basin Assessments** - In the Governor's budget, the Department of Health would assist the Department of Ecology in basin assessments to facilitate the processing of water rights permits. The Senate budget does not fund this enhancement but makes other changes to water law and funding.

* **Puget Sound Work Plan** - In the Governor's budget, funding is included in the Department of Health for outreach and technical assistance to local health jurisdictions for local on-site sewage issues, contracting with local health jurisdictions for recreational shellfish activities, contracts to research and demonstrate alternative and experimental on-site sewage systems, and developing an integrated shellfish data system. The Senate budget does not include enhancements related to these functions. (Water Resource Administration Account)

* **Transfer of Public Health Funding** - This item transfers funding from the Public Health Account to the Health Services Account. This transfer will eliminate the need to make a transfer in the budget bill. (Public Health Account, Health Services Account)

1997-99 Budget
Department of Veterans' Affairs
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	21,498	52,142
1997-99 Maintenance Level (ERL)	18,895	53,229
Policy Changes:		
1. Field Services Outreach	144	144
2. Field Services Vendor Rate Increase	76	76
3. Veterans Home Replacement Equipment	130	130
4. Computer Support Staff	89	89
5. General Inflation	-333	-333
Total Policy Changes	106	106
Total 1997-99 Biennium	19,001	53,335
Difference from 1995-97	-2,497	1,193
% Change from 1995-97	-11.6%	2.3%

Comments:

1. Field Services Outreach - Funding is provided to reimburse volunteer service officers for travel and other costs associated with providing outreach claims services to veterans and their family members.

2. Field Services Vendor Rate Increase - Funds are provided for a 3% vendor rate increase effective July 1, 1997 for the ten contracted field offices and providers of Post Traumatic Stress Disorder (PTSD) treatment services.

3. Veterans Home Replacement Equipment - Additional funding is provided for the purchase of resident care equipment, vehicles, and other equipment necessary for the operation of the Retsil facility.

4. Computer Support Staff - Provides one computer technology specialist, to be shared between the Veterans and the Soldiers Homes, to assist with automation of the client assessment and care planning information, and business systems.

5. General Inflation - The Senate budget requires agencies to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

* **Soldiers Home Replacement Equipment** - The Senate budget does not increase funding for equipment expenditures at the Soldiers Home, because (1) equipment expenditures at the home have already more than doubled over the past several years; and (2) the facility's base equipment budget is already larger than that of the much larger facility at Retsil.

1997-99 Budget
Department of Corrections
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	760,451	766,483
1997-99 Maintenance Level (ERL)	829,549	852,543
Policy Changes:		
1. Delay Hiring Supervision Staff	-512	-512
2. Goods and Services Savings	-1,656	-1,656
3. Reduce Workload Support	-427	-427
4. Administrative Reductions	-2,786	-2,786
5. Eliminate Selected Specialists	-830	-830
6. Reduce Custody Staff Overtime	-700	-700
7. Reduce CI Expansion	-1,077	-1,077
8. Field Office Consolidations	-248	-248
9. Delay Tacoma Pre-Release	-1,330	-1,330
10. Data Communications Upgrade	1,168	1,168
11. General Inflation	-4,152	-4,192
12. Health Care Savings	-5,100	-5,100
13. Vendor Rate Increase	1,566	1,566
14. Reduce Work Crews	-352	-352
15. Deport Illegal Alien Offenders #	-1,102	-1,102
16. Eliminate Artist in Residence	-42	-42
17. Reduce On Site Evaluations	-28	-28
18. Reduce Mental Health R&D	-200	-200
19. CCO Automation Efficiencies	-377	-377
20. Local Government Impacts	425	425
21. Sentencing & Policy Legislation #	1,108	1,108
22. Juvenile Justice Legislation #	10,694	10,694
Total Policy Changes	-5,958	-5,998
Total 1997-99 Biennium	823,591	846,545
Difference from 1995-97	63,140	80,062
% Change from 1995-97	8.3%	10.4%

Comments:

1. Delay Hiring Supervision Staff - The maintenance level budget includes funding for additional Community Corrections Officers to supervise additional offenders. Savings are generated by delaying the hiring of these additional Community Corrections Officers by an average of 120 days.

2. Goods and Services Savings - This item reflects agency identified savings in the purchase of goods, services and equipment. In the 1995-97 Biennium, the department purchased a number of items using cash instead of debt service. This reduced the need for resources to be dedicated in the 1997-99 biennium for repayment.

3. Reduce Workload Support - Both the Governor and Senate capture savings by reducing funding for support staff. The total reduction amount is lower in the Senate budget, primarily because funding for these items was not provided in the Senate maintenance level.

4. Administrative Reductions - Savings are generated through a number of administrative reductions and consolidations. This item assumes that administrative functions in both Community Corrections and the Division of Prison will be consolidated. In addition, the Victim/Witness and Community Protection Program will be consolidated.

**1997-99 Budget
Department of Corrections**

5. Eliminate Selected Specialists - This item assumes savings as a result of eliminating a number of community corrections specialist positions. The services provided by the specialists would be transitioned into the regular duties of community corrections officers. Training would generally be provided by computer based training programs and videos rather than by the specialists.

6. Reduce Custody Staff Overtime - Savings will be achieved by making better use of intermittent staff to reduce overtime. The department will also implement programs aimed at improving scheduling and reducing sick leave.

7. Reduce CI Expansion - Both the Governor and Senate reduce funding provided at maintenance level associated with expanding offender employment. In addition, the Senate budget assumes that \$400,000 per year in expenditures associated with this expansion will be paid from the non-appropriated, Correctional Industries Account.

8. Field Office Consolidations - Savings are generated by closing four of the four community corrections field offices. Offenders and staff would typically be assigned to the next closest facility.

9. Delay Tacoma Pre-Release - Savings are generated by delaying the opening of 60 beds at the Tacoma Pre-Release facility from January 1999 until July 1999.

10. Data Communications Upgrade - This item provides primarily one-time funding to upgrade the Department's wide area network (WAN) to meet the needs of increased system utilization. The network supports several mission critical data systems including the Offender Based Tracking System (OBTS). Of the amount funded, only \$96,000 is an on-going cost.

11. General Inflation - This item eliminates funding for general inflation increases.

12. Health Care Savings - The 1995 legislature required the Office of Financial Management to contract with a private research company to identify cost saving strategies for delivering and managing inmate health care. The study recommended several strategies which, if implemented, are projected to save \$5.1M in the 1997-99 Biennium. The Senate budget recognizes the full amount of anticipated savings in offender health care costs.

13. Vendor Rate Increase - The Senate budget includes a vendor rate increase of 3.0 percent, effective July 1, 1997 for contracted work-release facilities and for educational service providers.

14. Reduce Work Crews - In the Senate budget, this item eliminates General-Fund-State funding for four community service work crews. In most cases, work crews are paid for by the entity benefiting from their work. These four crews did not receive reimbursement. In addition, the Senate budget provides additional funding in the Department of Ecology's budget for four work crews to pickup litter on public roads. The Governor's budget does not include either of these items.

15. Deport Illegal Alien Offenders # - Approximately 750 undocumented alien offenders are housed in DOC institutions. Under current law, certain non-violent offenders can be released early solely for the purpose of deportation. Once an offender is deported, a national arrest warrant for the offender is obtained. If the offender is arrested during the period the warrant is in effect, the offender is extradited to Washington to serve the remainder of his or her sentence. By streamlining the process, offenders can be released and deported sooner saving incarceration costs. This item is contingent upon the passage of HB 2247 or SB 6075. The Governor's budget does not assume passage of this legislation.

16. Eliminate Artist in Residence - The Department does not expect to receive any federal funding for the Artist-in-Residence program for the 1997-99 biennium. This program brings artists into prisons for a two week residency working with offenders. Consequently, the Senate budget eliminates General-Fund-State funding for the program. The Governor's budget does not make this reduction.

17. Reduce On Site Evaluations - The Senate budget recognizes savings generated by discontinuing on-site safety inspections and evaluations in Division of Community Corrections field offices. The Governor's budget does include this item.

1997-99 Budget
Department of Corrections

18. Reduce Mental Health R&D - In the Senate budget, savings are achieved by reducing mental health research and program development by one half. This service is provided, under contract, by the University of Washington. The Governor's budget does not include this item.

19. CCO Automation Efficiencies - The Senate budget assumes savings as a result of efficiencies gained from community corrections officers (CCOs) utilizing portable computers with cellular modems. By using this equipment, CCOs can check offender data and enter information directly from the field. Currently, CCOs are forced write the data in the field and enter it into the system after returning to the office. The Governor's budget does not include this item.

20. Local Government Impacts - This item funds one-time local government impact associated with the opening of 512 additional beds at the Airway Heights Corrections Center.

21. Sentencing & Policy Legislation # - Funding is provided for SSB 5005 (Concurrent Sentences for Violent Offenders), SSB 5006 (Enhancing the Supervision and Sentences of Sex Offenders), SSB 5044 (AIDS Related Crimes), SSB 5759 (Risk Classification), SSB 5760 (Mentally Ill Offenders), and SSB 5938 (Revising Sentencing Provisions).

22. Juvenile Justice Legislation # - This item funds 3SHB 3900, the juvenile justice initiative. The bill automatically transfers jurisdiction of 16 and 17 year old offenders charged with a violent crime to adult court. In addition, the bill also makes numerous changes to both juvenile sentences and sentencing options. The combined state and local government cost is estimated at \$19.4M in the 1997-99 Biennium. Because of the automatic transfer of certain 16 and 17 year olds to adult court, the net result is a DOC cost increase.

* **Law and Justice Act** - In the Governor's budget, this item funds the Washington State Law and Justice Council (WSLJC) planning efforts to develop a framework for community sanctions which will provide more opportunity for judicial discretion in sentencing. The Senate budget does not include this item.

* **Tracking System Replacement** - The Governor's budget provides funding for a feasibility study for future replacement of the Offender Based Tracking System. The Senate budget does not include this item.

* **Industrial Insurance Premium Rebate** - The Governor's budget assumes that the Department will utilize their Industrial Insurance premium rebate to fund back-to-work programs. The Senate budget assumes that the Department will fund on-going safety activities from the rebate. This item is included in the Senate maintenance level. (Industrial Insurance Account)

1997-99 Budget
Dept of Services for the Blind
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	2,652	14,429
1997-99 Maintenance Level (ERL)	2,675	14,643
Policy Changes:		
1. Federal Grant Increase	123	596
2. General Inflation	-21	-118
Total Policy Changes	102	478
Total 1997-99 Biennium	2,777	15,121
Difference from 1995-97	125	692
% Change from 1995-97	4.7%	4.8%

Comments:

1. Federal Grant Increase - State funds are provided to enable the state agency to qualify for additional federal vocational rehabilitation revenues, which are expected to increase by 3 percent per year during 1997-99, if the required 21.3% state match is available. The agency estimates this will enable it to provide job training and placement services to 150 additional persons with blindness or severe visual impairments. (Other Funds: General Fund-Federal)

2. General Inflation - The Senate budget requires agencies to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

1997-99 Budget
Sentencing Guidelines Commission
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	1,293	1,293
1997-99 Maintenance Level (ERL)	1,439	1,439
Policy Changes:		
1. General Inflation	-12	-12
Total Policy Changes	-12	-12
Total 1997-99 Biennium	1,427	1,427
Difference from 1995-97	134	134
% Change from 1995-97	10.4%	10.4%

Comments:

- 1. General Inflation** - This item eliminates funding for general inflation increases.

1997-99 Budget
Department of Employment Security
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	6,113	438,916
1997-99 Maintenance Level (ERL)	0	396,212
Policy Changes:		
1. Early Intervention Reemployment	0	1,000
2. Unemployment Ins. Business Reform	0	7,900
3. Strengthen Employment Services	0	1,798
4. General Inflation	0	-797
5. GUIDE Completion Authority	0	2,600
Total Policy Changes	0	12,501
Total 1997-99 Biennium	0	408,713
Difference from 1995-97	-6,113	-30,203
% Change from 1995-97	-100.0%	-6.9%

Comments:

1. Early Intervention Reemployment - Funding is provided for additional staff to strengthen and expand reemployment services to a greater number of unemployment insurance claimants, consistent with the implementation of the Claims and Adjudication Call Centers. When unemployment insurance claimants return to work faster, they draw fewer benefit payments from the Unemployment Insurance Trust Fund. (Employment Services Administrative Account-State)

2. Unemployment Ins. Business Reform - Three new initiatives are planned for the Unemployment Insurance Program:

a) Claims and Adjudication Call Centers: \$5,269,000 is provided for planning and implementation of three regional Claims and Adjudication Call Centers and four stand-alone Adjudication Call Centers. This will move the Department from a geographically based, in-person initial claims process to a centralized telephone claims process. (Unemployment Compensation Administration Account-Federal, Administrative Contingency Account-State)

b) Overpayment Detection/Collection Productivity Enhancement: \$583,000 is provided for implementation of a new automated voice link and case management system. This item will also allow the agency to complete the interface between the automated fraud detection and benefit payment systems, utilize bar code scanners to increase quarterly cross-match cases, and obtain equipment to prepare forgery, prosecution, and fraud cases. (Administrative Contingency Account-State)

c) Data/Wage Quality Initiative: \$2,049,000 is provided to improve the quality of employer reported wage information through reporting alternatives and use of scanning and imaging. (Unemployment Compensation Administrative Account-Federal)

3. Strengthen Employment Services - One-Stop Information Connectivity is the first step toward establishing a statewide system to improve and integrate all employment services related systems across state government. (General Fund-Federal)

4. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

5. GUIDE Completion Authority - This item provides expenditure authority for the General Unemployment Insurance Development Effort (GUIDE) project to offset any vendor caused delay. (Unemployment Compensation Administration Account-Federal)

* **Program Improvement Research** - The department should be determining program and service improvements within existing resources.

1997-99 Budget
Department of Employment Security

- * **Restore Employment & Training #** - The revenue diversion from unemployment insurance employer taxes into the Employment Training and Trust Fund will expire on January 1, 1998. Programs currently funded out of the trust fund including co-location of staff at community colleges, employer outreach and targeted development activities, and labor market information would have to be reprioritized within existing agency resources.

- * **Co-location Enhancement #** - No additional funding is provided for enhancing or increasing the number of co-location sites. The agency would need to reprioritize to achieve this enhancement.

- * **Washington Service Corps** - The department already provides about \$1.8 million per biennium to the Washington Service Corps. The program develops the employability of youth by developing local community service projects. The Senate is not providing additional funding for expansion of the program.

- * **YouthBuilt Program** - The development of a new program for youth funded through general-fund state dollars is not a Senate priority.

1997-99 Budget
Dept of Social and Health Services
Children and Family Services
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	324,744	607,023
1997-99 Maintenance Level (ERL)	394,058	681,382
Policy Changes:		
1. 1997-99 Child Care Vendor Increase	1,391	1,447
2. Reduce Secured CRCs	-2,336	-2,375
3. Transfer of Employment Child Care	-39,408	-67,206
4. Home Studies for Adoptive Families	346	450
5. Adoption Reconsideration #	24	24
6. Foster Care Basic Rate	2,459	3,112
7. Increase Child Placing Agency Rates	900	1,875
8. Continuum of Care/Street Youth	4,400	4,400
9. Improve Child Care Quality	4,352	5,493
10. Domestic Violence Funding	0	3,182
11. Victims of Crime Federal Increase	0	4,188
12. General Inflation	-789	-1,157
13. ISSD Administrative Reduction	-130	-363
14. Foster Care Improvements	905	1,312
15. Juvenile Treatment Legislation	4,800	4,800
16. Targeted Vendor Rate Increase	6,846	9,764
17. Temporary Assistance(TANF) Transfer	16,953	0
Total Policy Changes	713	-31,054
Total 1997-99 Biennium	394,771	650,328
Difference from 1995-97	70,027	43,305
% Change from 1995-97	21.6%	7.1%

Comments:

1. 1997-99 Child Care Vendor Increase - In the Governor's budget, this item provides a general vendor rate increase of 2.5% on July 1, 1997 and 2.5% on July 1, 1998. The Senate budget provides a 3% vendor rate increase on July 1, 1997. The increase is at the same rate as other vendors received. (General Fund - State, General Fund - Federal)

2. Reduce Secured CRCs - This item is an one-time reduction of \$2.3 million to adjust for the fact that all 75 secured Crisis Residential Center (CRC) beds will not be in operation in the first year of the biennium. Second year funding is restored to the full amount. (General Fund-State, General Fund-Federal)

3. Transfer of Employment Child Care - This item transfers employment child care funding to the Economic Services Administration in accordance with HB 3901, Welfare Reform. The bill directs that all job-related child care be operated on a seamless basis out of the Economic Services Administration. (General Fund - State, General Fund - Federal)

4. Home Studies for Adoptive Families - With the increased emphasis on finding adoptive homes for children, there is a need for an estimated three hundred additional home studies per year. This item will allow private agencies to be paid for home studies at a cost of \$750 per home study. (General Fund-State, General Fund-Federal)

1997-99 Budget
Dept of Social and Health Services
Children and Family Services

- 5. Adoption Reconsideration #** - This item funds department request legislation which expands the Adoption Support Reconsideration Program to include those children who are at high risk of a future physical, mental or emotional problem from exposure to traumatic conditions prior to adoption. The current program provides limited medical and counseling services for children adopted from foster care with physical, mental or emotional problems documented prior to adoption. This proposal assumes 12 additional children will be served a year.
- 6. Foster Care Basic Rate** - This step increases the basic rate for family foster care by \$25 per child per month. The Governor's budget provides an additional \$50 per month per child. The Senate budget provides other improvements in foster care services in addition to a higher basic rate. (General Fund-State, General Fund-Federal)
- 7. Increase Child Placing Agency Rates** - This item increases the rate paid to private child placing agencies. These agencies place children in foster care and provide other services to children in out-of-home placements. (General Fund - State, General Fund - Federal)
- 8. Continuum of Care/Street Youth** - This item restores funding for the projects which serve street youth and which provide a continuum of care for children in five sites around the state.
- 9. Improve Child Care Quality** - The new federal Child Care and Development Fund requires that a minimum of 4 percent be spent on improving the quality and capacity of the child care system. Some of the activities currently defined as quality do not meet the new definition. This item funds additional investments in the child care system so the state is better prepared to meet the child care demands related to welfare legislation. Funding includes items above for payment of fire marshal inspections and training of child care providers. Additionally, grants and other services may be provided to child care providers to support the expansion of slots for off-hours child care and in areas where welfare recipients will be moving into employment. The Senate budget funding reflects the increased expenditures from the Child Care Block Grant due to WorkFirst, which require additional quality expenditures. (General Fund-State, General Fund-Federal)
- 10. Domestic Violence Funding** - This item addresses shortfalls in the current system by assuming increased federal funding will be used to strengthen the existing domestic violence programs and to fund new programs in parts of the state where there aren't any. (General Fund-Federal)
- 11. Victims of Crime Federal Increase** - Additional federal funding authority is provided for programs designed to assist sexual assault victims and other victims of crime programs. (General Fund - Federal)
- 12. General Inflation** - This item provides for increased funding due to inflationary cost increases in maintenance level and eliminates the increase due to inflation in policy level. (General Fund - State, General Fund - Federal, Violence Reduction and Drug Enforcement Account)
- 13. ISSD Administrative Reduction** - This item reduces FTEs and related costs in the planning, administrative and systems support sections of the Information Systems Support Division. Cost reductions are spread to DSHS programs utilizing ISSD services. (General Fund - State, General Fund - Federal)
- 14. Foster Care Improvements** - This item provides funding for improved recruitment and retention efforts in foster care providers and for foster parent liaisons to be contracted with by the department. Foster parent liaisons shall act as the advocate for foster parents with the Department and will free foster parents up to work with children by taking care of procedural and administrative activities required by DSHS. (General Fund - State, General Fund - Federal)

1997-99 Budget
Dept of Social and Health Services
Children and Family Services

15. Juvenile Treatment Legislation - This item funds 2SSB 5710 - Juvenile Care and Treatment. The bill requires that a new social worker classification be created within the Children's Administration, that four new alternative response sites be created and that parents with potential chemical dependency problems who come into contact with CPS have an evaluation for chemical dependency completed. The social worker classification is funded from the current services level budget through funds for existing staff.

16. Targeted Vendor Rate Increase - In the Governor's budget, this item provides a general vendor rate increase of 2.5% on July 1, 1997 and 2.5% on July 1, 1998. The Senate budget provides a 3% vendor rate increase on July 1, 1997. Vendors provided with rate increases include child care vendors. (General Fund-State, General Fund-Federal)

17. Temporary Assistance(TANF) Transfer - With the implementation of the Temporary Assistance to Needy Families (TANF) block grant, additional work and time limit requirements will be placed on families served by the federal funding. These additional requirements will be harder to track at the client level in the Division of Children and Family Services. This item transfers the TANF federal funding from the Division of Children and Family Services to Economic Services. The same amount of state funding is then transferred out of Economic Services and placed in the Division of Children and Family Services. (General Fund-State, General Fund-Federal)

* **Division of Licensed Resources** - In the Governor's budget, this item funds the new division of licensed resources, including a director and the necessary infrastructure staff to create the division which has responsibilities of licensing, recruitment, and enforcement of foster homes, group homes, crisis residential centers, respite care, youth shelters, child placing agencies, and child care providers. The Senate budget does not fund this item because the increase is for administrative staff. (General Fund-State, General Fund-Federal)

* **Family Policy Council GIS** - In the Governor's budget, this item funds a research investigator, a data finder and a programmer analyst to build and maintain the Community Outcome and Risk Evaluation Geographic Information System database. The Senate budget does not fund this item, due to the shortfall in the VRDE account and because the Networks are behind in beginning service delivery. The Family Policy Council can utilize funding from the increase provided in the Current Services Level budget to accomplish this function.

* **Youth Violence Reduction Evaluation** - RCW 70.190.050 requires the Institute of Public Policy to conduct or contract to conduct monitoring and tracking of the implementation of the 1994 Youth Violence Reduction Legislation to determine whether these efforts result in a measurable reduction of violence. In the Governor's budget, this item funds the third and fourth years of the evaluation plan. Due to the slow start up of the Networks, the Institute has not been able to evaluate service delivery activity. In the Senate budget, additional funding is not provided for this item. The Family Policy Council can utilize funding from the increase provided in the Current Services Level budget to accomplish this function.

* **Family Policy Council Network Audit** - In the Governor's budget, this item funds ten audits of the community public health and safety networks in the second year of the biennium. The Senate budget does not fund this item due to the Public Policy Institute evaluation of the Networks and because the Family Policy Council can utilize funding from the increase provided in the Current Services Level budget to accomplish this function.

* **DSHS Employee Background Checks #** - In the Governor's budget, this item provides funding for 2SSB 5528 - Background Checks. The Senate budget reflects updated funding estimates from the Department. (General Fund-State, General Fund-Federal)

* **Reduce Social Worker Workload** - In the Governor's budget, this item funds 83 additional social workers and associated infrastructure staff phased in over the biennium. The Senate budget does not fund this item, since the Children's Administration has received a 25% increase in budget over the last two years, including current services level items. Social worker FTEs were added in 1996 and as part of the current services level budget. (General Fund-State, General Fund-Federal)

1997-99 Budget
Dept of Social and Health Services
Children and Family Services

* **Fire Marshal Inspections** - In the Governor's budget, this item funds additional fire inspections and safety training for licensors and providers. The Senate budget funds this item as part of the required increase in child care quality funding pursuant to the federal welfare law (P.L. 104-193). See the item titled "Improve Child Care Quality" below.

* **Improve Lead Worker Ratio** - In the Governor's budget, this item provides funding to reduce the span of control so that no lead social worker has more than eight social workers reporting to them. The Senate budget does not fund this item because lead workers do not increase the delivery of services to the public. (General Fund-State, General Fund-Federal)

* **Ensure Competence Through Training** - In the Governor's budget, this proposal funds 64 hours of advanced social worker training for all caseworkers and supervisors including training on Case Management Information System (CAMIS). The Senate budget does not fund this item because training enhancements were funded in the 1996 budget and children's social workers are now provided with adequate training. (General Fund-State, General Fund-Federal)

* **Expand Quality Assurance** - In the Governor's budget, two centralized quality assurance staff are added to conduct program reviews across the state. This item also includes one management information position to collect, maintain and analyze data. The Senate budget does not fund additional administration in the Children's budget. (General Fund-State, General Fund-Federal)

* **Child Care Provider Training** - In the Governor's budget, funding is provided to expand a 15-hour training model for family child care providers on a statewide basis and mandates training for workers in child care centers. Funds for vouchers for low-income staff and a tracking system to monitor and enforce the training requirements are also included. The Senate budget funds this item as part of the required increase in child care quality funding pursuant to the federal welfare law (P.L. 104-193). See the item titled "Improve Child Care Quality" below.

* **Passport Program** - In the Governor's budget, this item funds a statewide roll-out of a pilot program operated in King County during 1996 which creates a "passport" for children in foster care. The Senate budget does not fund this item, as the pertinent information already exists in systems and with personnel working on these cases. (General Fund-State, General Fund-Federal)

* **Intensive Foster Care Assessment** - In the Governor's budget, this item would provide an in-depth independent assessment of foster children who are still in placement after 90 days and who are likely to stay for an extended period. The Senate budget funds other enhancements in foster care instead of this item. (General Fund-State, General Fund-Federal)

* **Sexually Aggressive Youth** - This item expands current services available to sexually aggressive youth to enable the department to serve more eligible children in foster care. There are currently approximately 650 sexually aggressive youth in foster care. This proposal funds the 306 youth who are currently not receiving specialized services. The Senate budget does not fund this item because it is unknown how many youth in this category require this level of specialized services.

* **Indian Child Welfare** - The Governor's budget sets aside funding for services for American Indian children. The legislative budget does not fund this item, since no plan exists to determine what will be purchased or accomplished with this funding.

* **CAMIS Improvements** - In the Governor's budget, additional resources to accelerate redesign of the Case Management Information System (CAMIS) to improve system usability and to create a data warehouse. The legislative budget does not fund this item because improvements to CAMIS were funded in 1995. (General Fund-State, General Fund-Federal)

* **Enhance Quality of Practice/Mgmt.** - The Governor's budget sets aside funding to examine the work processes in the Children's Administration. The legislative budget does not fund this item because such activities should be done within existing funds.

1997-99 Budget
Dept of Social and Health Services
Children and Family Services

* **Child Death Fatality Reviews #** - In the Governor's budget, this item funds SB 5409, Child Death Reviews. The second substitute bill passed by Ways and Means eliminates the fiscal impact for the Department from the bill. (General Fund-State, General Fund-Federal)

* **Child Care Database** - In the Governor's budget, funding is provided to construct a child care database from Social Services Payment System (SSPS) files to meet the new federal reporting requirements for child care. The Senate budget does not fund this item because these activities should be performed within resources provided for Welfare Reform Legislation. (General Fund-State, General Fund-Federal)

1997-99 Budget
Dept of Social and Health Services
Juvenile Rehabilitation
(Dollars in Thousands)

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	125,191	190,659
1997-99 Maintenance Level (ERL)	163,065	199,004
Policy Changes:		
1. Delay Green Hill Housing Units	-175	-175
2. Reduce Institutions Program Mngrs	-446	-446
3. Adminstration Reduction	-443	-443
4. General Inflation	-606	-606
5. ISSD Administrative Reduction	-17	-20
6. Assume Internal Best Practices	-568	-568
7. Parole Targeting	-1,956	-2,300
8. Medical Lake Closure	-4,724	-4,724
9. Sexually Agressive Youth #	206	206
10. Risk Classification #	128	128
11. Juvenile Justice Legislation #	-4,759	-5,012
12. Local Impact of Juvenile Justice #	12,264	12,264
13. Targeted Vendor Rate Increase	1,680	2,003
Total Policy Changes	584	307
Total 1997-99 Biennium	163,649	199,311
Difference from 1995-97	38,458	8,652
% Change from 1995-97	30.7%	4.5%

Comments:

- 1. Delay Green Hill Housing Units** - This item recognizes the delay in the opening of three new 64-bed prototypes at Green Hill School from February 1998 to July 1998.
- 2. Reduce Institutions Program Mngrs** - This item assumes that twelve of the Juvenile Rehabilitation Administration's small (16 bed) cottages will share program managers.
- 3. Adminstration Reduction** - This item assumes that the Juvenile Rehabilitation Administration will make the administrative reductions identified in their five percent budget reduction options to the Governor.
- 4. General Inflation** - This item eliminates funding for general inflation increases.
- 5. ISSD Administrative Reduction** - In the Senate budget, this item reduces FTEs and related costs in the planning, administrative and systems support sections of the Information Systems Support Division. Cost reductions are spread to DSHS programs utilizing ISSD services. (General Fund - State, General Fund - Federal)
- 6. Assume Internal Best Practices** - The recently completed Joint Legislative Audit and Review Committee Capacity Study found that staffing efficiencies could be achieved by applying internal best practices. The Senate budget assumes that the Juvenile Rehabilitation Administration will study their most efficient housing units as they are currently operating, and apply these practices to other, similar housing units in their system. The Governor's budget does not include this item.

1997-99 Budget
Dept of Social and Health Services
Juvenile Rehabilitation

7. Parole Targeting - Currently, the average length of stay for juvenile non-sex offenders is approximately sixteen weeks. Current parole standards require two to three monthly contacts with a parole counselor and participation in available treatment services. Research does not exist that supports that this level of parole has a measurable effect on offender behavior. Consequently, the Senate budget targets parole services to sex offenders and approximately 25% of offenders assessed as high-risk. The Governor's budget does not include this item. (General Fund-State, General Fund-Federal)

8. Medical Lake Closure - In the Senate budget, this item captures savings achieved by not opening the Medical Lake Treatment Center on the grounds of Eastern State Hospital. The facility was planned to have 80 beds and would cost over \$53,000 per bed to operate. The November 1996 juvenile offender forecast projects that the number of offenders housed by JRA to be substantially less than the maximum operating capacity of the system. By closing (actually not opening) the facility and housing the offenders within maximum operating capacity, significant savings can be achieved. The Governor's budget does not include this item.

9. Sexually Agressive Youth # - This item provides funding for the implementation of SSB 5123 (sexually aggressive youth). The legislation requires the Juvenile Rehabilitation Administration to develop and implement procedures and policies to protect sexually vulnerable youth from sexually aggressive youth. The Governor's budget does include this item.

10. Risk Classification # - The Senate budget provides funding for the implementation SSB 5759. The legislation requires the Juvenile Rehabilitation Administration to assign a risk classification level to sex offenders released from their facilities. The Governor's budget does not include this item.

11. Juvenile Justice Legislation # - This item funds 3SHB 3900, the juvenile justice initiative. The bill automatically transfers jurisdiction of 16 and 17 year old offenders charged with a violent crime to adult court. In addition, the bill also makes numerous changes to both juvenile sentences and sentencing options. The combined state and local government cost is estimated at \$19.4M in the 1997-99 Biennium. Because of the automatic transfer of certain 16 and 17 year olds to adult court, the net result is a reduction in JRA institutional and community services programs. (General Fund-State, General fund-Federal, General Fund-Local)

12. Local Impact of Juvenile Justice # - This item funds the local government impact of 3SHB 3900, the juvenile justice initiative. The bill automatically transfers jurisdiction of 16 and 17 year old offenders charged with a violent crime to adult court. In addition, the bill also makes numerous changes to both juvenile sentences and sentencing options. The combined state and local government cost is estimated at \$19.4M in the 1997-99 Biennium. These funds are to be distributed to counties to offset the impact of the bill.

13. Targeted Vendor Rate Increase - The Senate budget provides for a vendor rate increase of 3.0 percent effective July 1, 1997 for county and private contracted service providers, and treatment service providers in state group homes.

*** Non-Committed Youth Caseload** - In the Governor's budget, this item reduces funding for programs for committable youth handled locally (Option B), and those sentenced under the Special Sex Offender Disposition Alternative (SSODA). The Senate budget does not include this item because these reductions could result in increased commitments to JRA institutions. In addition, Option B is eliminated in 3SHB 3900, the juvenile justice initiative. (General Fund-State, General Fund-Federal, General Fund-Local)

*** DSHS Employee Background Checks #** - This item funds the cost of performing criminal history background checks pursuant to 2SSB 5528.

*** Juvenile Offender Sentencing #** - In the Governor's budget, this item funds the impact of Governor Locke's proposal dealing with juvenile sentencing, parental involvement, the juvenile judicial system, and the juvenile rehabilitation system. The Senate budget provides funding for its juvenile justice initiative in separate policy items. (General Fund-State, General Fund-Federal)

*** Increase Mental Health Services** - As part of the Governor's juvenile justice proposal, this item increases contracted psychiatric and psychological services and makes them available at all institutions and state group homes. The Senate budget provides funding for its juvenile justice initiative in separate policy items.

1997-99 Budget
Dept of Social and Health Services
Juvenile Rehabilitation

* **Juvenile Parole Aftercare #** - In the Governor's budget, this item funds intensive parole supervision and programming for the top 25 percent of highest risk juvenile offenders. This increase is part of Governor Locke's juvenile justice proposal. The Senate budget provides funding for its juvenile justice initiative in separate policy items. (General Fund-State, General Fund-Federal)

* **Expand Employment Programs** - As part of the Governor's juvenile justice proposal, this item funds the development of a Juvenile Industries Model for pre-vocational, pre-apprentice, vocational, community service, and employment programs for youthful offenders. This would be accomplished by expanding existing contracts with Corrections Clearing House and the Employment Security Department. The Senate budget provides funding for its juvenile justice initiative in separate policy items.

* **Community Juvenile Accountability #** - As part of the Governor's juvenile justice proposal, this item funds early structured intervention and prevention programs for minor, non-violent offenders through a newly created account. The Senate budget provides funding for its juvenile justice initiative in separate policy items. (Community Juvenile Accountability Account)

1997-99 Budget
Dept of Social and Health Services
Mental Health
(Dollars in Thousands)

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	454,364	880,691
1997-99 Maintenance Level (ERL)	472,112	961,317
Policy Changes:		
1. General Inflation	-1,172	-1,591
2. ISSD Administrative Reduction	-28	-36
3. Adjust PHP Rates	-6,671	-13,898
4. Implement Phase III Managed Care	-4,102	-7,043
5. Mentally Ill Offender Project	500	500
6. Targeted Vendor Rate Increase	8,629	15,590
7. Balance Health Services Account	13,617	0
Total Policy Changes	10,773	-6,478
Total 1997-99 Biennium	482,885	954,839
Difference from 1995-97	28,521	74,148
% Change from 1995-97	6.3%	8.4%

Comments:

1. General Inflation - The Senate budget requires agencies to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Other Funds: General Fund-Federal)

2. ISSD Administrative Reduction - This item reduces FTEs and related costs in the planning, administrative, and systems support sections of the Information Systems Support Division (ISSD). This results in savings for all of the DSHS programs which use ISSD services through a chargeback system. (Other Funds: General Fund-Federal)

3. Adjust PHP Rates - When the community mental health system converted to a capitated payment system for Medicaid outpatient services, different capitation rates were established for each Regional Support Network (RSN), based upon actual Medicaid expenditures in that RSN during 1992, 1993, or 1994. Because of wide variations in the extent to which community mental health centers in different parts of the state utilized the Medicaid program during those years, capitated payment rates are much lower in some RSN's than others. For example, on average, the three RSN's with the lowest capitation rates are paid less than half as much per Medicaid-eligible client than the three RSN's with the highest rates. To immediately eliminate this inequity would require either a large increase in public expenditures, a significant reduction in payments to some RSN's, or a combination of the two. Rather than take such actions, the legislative budget implements a policy of reducing this inequity by distributing the new funds which are available for caseload growth disproportionately to those RSN's which are currently receiving less than the statewide average payment per Medicaid recipient.

Specifically, the Senate budget provides for (1) caseload growth to be funded and distributed at the current statewide average rate; and (2) for RSN's whose FY 97 allocation is more than they would receive in 1997-99 if their allocation were based on the statewide weighted average rate to receive no additional funding. As a result of this approach, about \$9.7 million of new funding will be distributed in 1997-99. Eight RSN's will receive a larger increase than if caseload growth were funded at their current payment rate; three RSN's will receive an increase over their FY 97 allocation, but with caseload growth funded at less than their current payment rate; and three RSN's will be held harmless at their FY 97 allocation. (Other Funds: General Fund-Federal)

1997-99 Budget
Dept of Social and Health Services
Mental Health

4. Implement Phase III Managed Care - Starting in October 1997, community inpatient hospitalization will be integrated with outpatient services under a single capitated managed care system for Medicaid-eligible mental health clients. Currently, inpatient services are paid on a fee-for-service basis, while outpatient services have been paid through capitated payments to Regional Support Networks (RSN's) since early 1996. An integrated system is expected to promote a better match between client service needs and the type of care they receive; better preventative and follow-up care; and reduced cost shifting. RSN's have been managing children's inpatient admissions since March 1995, and adult admissions since March 1996, with the result that voluntary inpatient expenditures were over 25% lower in FY 96 than would have been expected based on previous utilization trends. The Senate budget provides for about one-third of this reduction to be a direct savings to taxpayers, and for the balance to be included in capitation payments to the organizations managing the integrated system. The share included in capitation payments will be used to administer the integrated system, and to provide case management, outpatient, and other services for persons at risk of hospitalization. (Other Funds: General Fund-Federal)

5. Mentally Ill Offender Project - Funding is provided to develop and operate the mentally ill offenders pilot project defined in Second Substitute Senate Bill 6002. Under this project, one Regional Support Network will be selected to provide mentally ill offenders returning to the community from prison with intensive case management and other support services to help them successfully reintegrate into the community.

6. Targeted Vendor Rate Increase - Provides a 3% vendor rate increase for community outpatient and residential services effective July 1, 1997. Rate increases for community inpatient services are not included in this item, because they are mandatory under the hospital lawsuit settlement, and have therefore been included at approximately 5% per year in the current services base. (Other Funds: General Fund-Federal)

7. Balance Health Services Account - In order to maintain Basic Health Plan services to the extent possible within available revenues, community mental health services for children covered by Medicaid as a result of the eligibility expansion to 200% of the federal poverty level will be funded with general fund-state rather than from the Health Services Account. (Other Funds: Health Services Account)

* **DSHS Employee Background Checks #** - The Senate budget provides funding for 2SSB 5528 - Background Checks in the central DSHS administration program. (Other Funds: General Fund-Federal)

* **Western State Hospital Ward Closure** - Because of successful coordination between Western State Hospital and the western Washington Regional Support Networks (RSN's), the hospital has operated below budgeted census levels throughout the 1995-97 biennium. This has enabled the hospital to reduce ward sizes and operate at higher staff-to-resident ratios than budgeted. The Governor's budget proposes to close a ward to reflect this lower census level. The Senate budget does not concur with this proposal.

* **PHP Contract Increase Allowance** - The Governor's budget proposes a 2 percent per year inflationary increase for Medicaid-funded mental health outpatient services. The Senate budget provides the same vendor rate increase for these as for other contracted social services, in the "Targetted Vendor Rate Increase" step below. (Other Funds: General Fund-Federal)

1997-99 Budget
Dept of Social and Health Services
Developmental Disabilities
(Dollars in Thousands)

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	384,177	724,385
1997-99 Maintenance Level (ERL)	403,766	772,243
Policy Changes:		
1. General Inflation	-841	-1,576
2. Reduce Administrative Supports	-402	-584
3. Reduce Medicaid Personal Care	-1,183	-2,440
4. ISSD Administrative Reduction	-59	-74
5. Manage Personal Care Growth	-884	-1,846
6. Yakima Valley School	625	1,100
7. UCP Closure	667	1,386
8. Adult Family Home Quality	577	885
9. Provider Liability Insurance	196	400
10. Adult Family Home Training	274	496
11. 1997-99 High School Graduates	1,908	1,908
12. Community Protection Initiative	2,672	5,492
13. Targeted Vendor Rate Increase	7,813	7,813
14. Balance Health Services Account	7,688	0
Total Policy Changes	19,051	12,960
Total 1997-99 Biennium	422,817	785,203
Difference from 1995-97	38,640	60,818
% Change from 1995-97	10.1%	8.4%

Comments:

1. General Inflation - The Senate budget requires agencies to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Other Funds: General Fund-Federal)

2. Reduce Administrative Supports - As suggested by the agency in response to the Governor's request for budget reduction options, expenditures on developmental disabilities central administration are to be reduced by approximately 6.5%, and expenditures on community technical assistance and demonstration projects are to be reduced by approximately 6%. (Other Funds: General Fund-Federal)

3. Reduce Medicaid Personal Care - As suggested by the agency in response to the Governor's request for budget reduction options, medicaid personal care reimbursement to parents caring for an adult son or daughter at home will be limited to approximately \$564 per month, rather than to the \$863 maximum reimbursement which is available for someone living alone in their own home. This change is expected to affect approximately 260 families. Additionally, the maximum monthly personal care expenditure for children living with their families would be set at the same \$564 per month applicable to adults. This would reduce the maximum amount of payment available to approximately 115 families. (Other Funds: General Fund-Federal)

4. ISSD Administrative Reduction - This item reduces FTEs and related costs in the planning, administrative, and systems support sections of the Information Systems Support Division (ISSD). This results in savings for all of the DSHS programs which use ISSD services through a chargeback system. (Other Funds: General Fund-Federal)

1997-99 Budget
Dept of Social and Health Services
Developmental Disabilities

5. Manage Personal Care Growth - The number of children receiving Medicaid personal care services is budgeted to increase by an average of 23% per year in 1997-99, and the number of adults receiving such services is budgeted to increase by 11% per year. However, the Senate budget provides that the average cost per person served is to remain at the FY 97 level (adjusted for any authorized vendor rate increases), rather than increasing by an average of 2% per year for adult cases as proposed by the agency. This can be accomplished by developing more flexible models of care, by emphasizing the use of informal supports, and by implementing more consistent assessment and authorization procedures across regions. To the extent that does not occur, or to the extent caseload grow even faster than budgeted, the agency is directed to adjust eligibility criteria and/or service levels enough to remain within appropriated levels, as required by the statute authorizing provision of personal care services. (Other Funds: General Fund-Federal)

6. Yakima Valley School - Funding is provided to (1) operate a nursing community outreach project at Yakima Valley School through which registered nursing staff will provide nursing assessments, consulting, training, and quality assurance to persons with developmental disabilities throughout Central Washington; and (2) develop and operate a 16-bed respite program for eligible persons with developmental disabilities statewide, with an emphasis on those residing in Central Washington. (Other Funds: General Fund-Federal)

7. UCP Closure - The United Cerebral Palsy Association plans to close its 57-bed nursing facility, and transfer the residents to small community residences which it is developing. While this change will save taxpayers about \$6,000 per resident per year when the moves are completed, there will be a temporary cost increase in order to maintain the nursing facility plant and base staffing level while residents are gradually moving out. This item provides one-time-only funding to enable the closure to be completed by February 1999. The lower community costs which will occur after the moves are completed will pay for this investment in four years. (Other Funds: General Fund-Federal)

8. Adult Family Home Quality - This item funds additional case management staff to monitor and assist adult family homes serving the 1,200 adults with developmental disabilities expected to reside in such homes during 1997-99. With this additional funding, case managers will be able to double the amount of monitoring and assistance currently provided such homes. (Other Funds: General Fund-Federal)

9. Provider Liability Insurance - During the 1995-97 Biennium, "hold harmless" provisions for community residential providers serving dangerous clients were eliminated from their contracts, resulting in the need for these providers to purchase private liability insurance premiums at increased cost. This step funds the increased cost of these premiums. (Other Funds: General Fund-Federal)

10. Adult Family Home Training - Funding is provided for specialized training for adult family homes which serve persons with developmental disabilities. Currently, adult family homes must receive 22 hours of initial training, and 10 hours of follow-up training per year. This proposal funds trainer and staff replacement costs for the managers of homes serving people with developmental disabilities to receive an additional 20 hours of initial training and ten hours per year of follow-up training. Funding is also provided for additional consultation and training for homes serving individuals with additional behavioral or medical needs. (Other Funds: General Fund-Federal)

11. 1997-99 High School Graduates - Funding is provided for employment and day training programs for an estimated 900 young persons with developmental disabilities who will graduate from public school during the 1997-99 biennium. In addition to the funds budgeted here, \$4.1 million of state and federal funds are provided for this purpose in the Division of Vocational Rehabilitation appropriation. Services are to be phased in during the first year after graduation.

12. Community Protection Initiative - During the first six months of 1997, secure residential settings were developed to provide 24-hour supervision for 40 persons with histories of physically or sexually abusive behavior or arson. These individuals were thought to pose a high risk of re-offending in their previous living arrangement. This item continues operation of those intensively supervised living arrangements throughout the 1997-99 biennium, at an average cost of \$76,000 per person per year. (Other Funds: General Fund-Federal)

1997-99 Budget
Dept of Social and Health Services
Developmental Disabilities

13. Targeted Vendor Rate Increase - The Senate budget provides a 3% increase for all contracted social and health services providers effective July 1, 1997. The increase applies to all contractors except for those such as hospitals, nursing homes, or managed care contractors for whom increases are provided through separate legal agreements or competitive bidding processes. (Other Funds: General Fund-Federal)

14. Balance Health Services Account - In order to maintain Basic Health Plan services to the extent possible within available revenues, funding for enhanced family support services and some children's personal care is transferred from the Health Services Account to general fund-state. (Other Funds: Health Services Account)

*** DSHS Employee Background Checks #** - The Senate budget provides funding for 2SSB 5528 - Background Checks in the central DSHS administration program. (Other Funds: General Fund-Federal)

1997-99 Budget
Dept of Social and Health Services
Long-Term Care Services
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	765,744	1,547,198
1997-99 Maintenance Level (ERL)	836,481	1,754,426
Policy Changes:		
1. Reduce Nursing Facility Caseload	-1,885	-3,931
2. Revise Adult Day Health Eligibility	-1,481	-3,088
3. SSB 5179	1,193	2,335
4. Nurse Assessments & Oversight	134	269
5. General Inflation	-147	-280
6. Manage Cost per Case Growth	-17,978	-36,340
7. ISSD Administrative Reduction	-51	-106
8. Basic Health Plan Underexpenditure	0	-3,591
9. Residential Care Quality Assurance	536	1,074
10. Enhanced IPP Case Management	773	1,546
11. Targeted Vendor Rate Increase	9,086	17,415
Total Policy Changes	-9,820	-24,697
Total 1997-99 Biennium	826,661	1,729,729
Difference from 1995-97	60,917	182,531
% Change from 1995-97	8.0%	11.8%

Comments:

1. Reduce Nursing Facility Caseload - As a result of increased availability of community service options, the number of people receiving state-funded nursing home care has decreased by over 1,600 (10%) between 1995 and 1997. The Governor's budget assumes that nursing home populations can be reduced by an additional 1,500 by 1999. However, given rapid growth in the elderly population, and the higher disability levels of the people now receiving nursing home care, the Senate budget projects a census reduction of a little less than half that amount. Specifically, the Senate budget assumes that the state-funded nursing home caseload will decrease by an average of 30 persons per month during 1997-99, to an average of 14,575 persons per month in FY 98, and 13,860 persons per month in FY 99. Providing appropriate community residential, in-home, and case management services for the additional persons diverted or transferring from nursing homes is expected to cost about 40% less than caring for them in a nursing facility. (Other Funds: General Fund-Federal)

2. Revise Adult Day Health Eligibility - As recommended in the Governor's budget, eligibility standards for adult day health services are to be tightened in order to reduce the rate of growth in the program. At the funding level proposed in the legislative budget, the program would be able to grow at approximately 10% per year, more than twice the projected growth in the population aged 85 and over, but less than the 25% per year rate it has grown the past several years. (Other Funds: General Fund-Federal)

3. SSB 5179 - This item provides funding for Second Substitute Senate Bill 5179, which makes several changes to the current nursing home payment system. These include increased reimbursement for costs associated with new construction or substantial remodeling of a nursing facility, and reducing the 90% minimum occupancy standard to 85% for nursing homes which were newly constructed in 1994. (Other Funds: General Fund-Federal)

4. Nurse Assessments & Oversight - The Senate budget provides additional funding so that registered nurses can be hired to fill at least nine of the new field positions added in the maintenance level budget for fiscal year 1998, and at least 12 of the new positions added in fiscal year 1999. This will result in a doubling of the number of registered nurses employed in state long-term care offices, and is expected to result in better medical assessments and quality of care oversight for persons in need of long-term care. (Other Funds: General Fund-Federal)

1997-99 Budget
Dept of Social and Health Services
Long-Term Care Services

5. General Inflation - The Senate budget requires agencies to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Other Funds: General Fund-Federal)

6. Manage Cost per Case Growth - The cost per person served in community long-term care programs increased by 48% between 1995 and 1997, and the maintenance level budget provides for it to increase by an additional 9% per person served, in addition to any authorized vendor rate increases, between 1997 and 1999. The Senate budget anticipates that the agency can hold per-person costs at the FY 97 level (plus vendor rate increases) by developing more flexible models of care, by emphasizing the use of informal supports and less expensive placements, and by implementing more consistent assessment and authorization procedures across regions. To the extent that does not occur, the agency is directed to adjust eligibility standards and/or service levels sufficiently to remain within appropriated levels, as required by the statutes authorizing provision of personal care services and other medicaid-funded long-term care services. (Other Funds: General Fund-Federal)

7. ISSD Administrative Reduction - This item reduces FTEs and related costs in the planning, administrative, and systems support sections of the Information Systems Support Division (ISSD). This results in savings for all of the DSHS programs which use ISSD services through a chargeback system. (Other Funds: General Fund-Federal)

8. Basic Health Plan Underexpenditure - Recent trends indicate that the cost of subsidized Basic Health Plan enrollment for homecare workers will be less than anticipated in the maintenance level budget, but more than anticipated in the Governor's budget proposal. (Other Funds: Health Services Account)

9. Residential Care Quality Assurance - The Senate budget funds two items in this step, and the Governor's budget three. First, both the Senate and the Governor's budget fund increased training for providers and resident managers of adult family homes. The current training requirement is for 22 hours of initial training, and 10 hours of follow-up per year. This item provides for an additional 5 hours of initial training before a provider can be licensed or a resident manager can begin work, and an additional 3 hours of follow-up per year. Second, both the Senate and the Governor's budget provide funding to increase the frequency of adult family home licensing visits from an average of once every 15 months to an average of once every 12 month. Finally, the Governor's budget proposes funding for additional case managers to perform more frequent visits at community residential facilities. The Senate budget does not provide for such an additional increase, since the number of case managers was already increased significantly in 1995-97 for this and related purposes, and since the maintenance level budget adds 78 additional field staff to keep pace with anticipated caseload growth. (Other Funds: General Fund-Federal)

10. Enhanced IPP Case Management - Funding is provided for Area Agencies on Aging to provide more intensive case management assistance and monitoring for persons receiving in-home assistance from self-employed rather than agency-supervised homecare workers. The Senate enhancement is lower than proposed by the agency because it corrects a technical error in the agency calculations. (Other Funds: General Fund-Federal)

11. Targeted Vendor Rate Increase - The Senate budget provides a 3% increase for all contracted social and health services providers effective July 1, 1997. The increase applies to all contractors except for those such as hospitals, nursing homes, or managed care contractors for whom increases are provided through separate legal agreements or competitive bidding processes. (Other Funds: General Fund-Federal)

*** DSHS Employee Background Checks #** - The Senate budget provides funding for 2SSB 5528 - Background Checks in the central DSHS administration program. (Other Funds: General Fund-Federal)

*** Mandated NH Rate Increase** - Current law mandates that nursing home payment rates be increased in FY 98 by 125% of the national nursing home inflation index. The Governor's budget estimated that this will result in a 4.9% rate increase, resulting in a savings from the level assumed in the Governor's maintenance level budget. Based on the national projections which will actually determine the increase, the Senate maintenance level budget provides for a 4.8% increase, for a total FY 98 rate of \$113.54. (Other Funds: General Fund-Federal)

1997-99 Budget
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Long-Term Care Services

* **Nursing Facility 4.9% Rate Rebasing** - The Governor's budget anticipates that nursing home rates will increase by 4.9% in FY 99 when they are "rebased" to reflect actual spending levels in prior years. Since the actual rate increase has been 7.5% the last four times such rebasing has occurred, and since the next rebasing will adjust for inflation accumulated over a three-year period rather than the one- to two-year period covered by prior adjustments, the Senate budget anticipates that the FY 99 increase will be 7.5%, for a total FY 99 average nursing home rate of \$122.03 per day. (Other Funds: General Fund-Federal)

* **Revised Payment System Deferred** - Current law calls for a new case-mix nursing home payment system to be implemented effective July 1, 1998. The Governor's budget proposes delaying implementation of the new system until January 1, 1999, and to increase rates by the anticipated 2.7% rate of general inflation during the six-month interim. The Senate budget continues to anticipate implementation of the new system at the beginning of the second year of the biennium. (Other Funds: General Fund-Federal)

1997-99 Budget
Dept of Social and Health Services
Economic Services
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	996,751	1,840,942
1997-99 Maintenance Level (ERL)	1,068,031	1,864,829
Policy Changes:		
1. 1997-99 Child Care Vendor Increase	0	9,276
2. Transfer of Employment Child Care	39,408	67,206
3. DSHS Employee Background Checks #	79	144
4. SSI State Supplemental Payment	-3,789	-3,789
5. GAU Naturalization Effort	-12,134	-12,134
6. Health Services Account Reduction	0	-750
7. General Inflation	-1,502	-2,648
8. Integrated Child Care System	0	73,129
9. General Assistance-Unemployable Cut	-6,089	-6,089
10. ISSD Administrative Reduction	-390	-781
11. Limit Eligibility for GA-U Program	-12,684	-12,684
12. Welfare Reform Legislation	27,755	63,941
13. Targeted Vendor Rate Increase	244	620
14. Temporary Assistance(TANF) Transfer	-16,953	0
Total Policy Changes	13,945	175,441
Total 1997-99 Biennium	1,081,976	2,040,270
Difference from 1995-97	85,225	199,328
% Change from 1995-97	8.6%	10.8%

Comments:

1. 1997-99 Child Care Vendor Increase - In the Governor's budget, this item provides a general vendor rate increase of 2.5% on July 1, 1997 and 2.5% on July 1, 1998. The Senate budget provides a 3% vendor rate increase on July 1, 1997. The increase is at the same rate as other vendors received. (General Fund - State, General Fund - Federal)

2. Transfer of Employment Child Care - This item transfers employment child care funding to the Economic Services Administration in accordance with HB 3901, Welfare Reform. The bill directs that all job-related child care be operated on a seamless basis out of the Economic Services Administration. (General Fund - State, General Fund - Federal)

3. DSHS Employee Background Checks # - This item funds 2SSB 5528 - Background Checks. (General Fund-State, General Fund-Federal)

4. SSI State Supplemental Payment - With the many changes in Supplemental Security Income (SSI) eligibility at the federal level, the caseload for SSI will decline dramatically beginning in January 1997. With this in mind, the decision was made to return to a standard payment level method of paying SSI State Supplement beginning on January 1, 1997. This item reflects the projected savings as a result. The legislature intends that once the total payment for SSI State Supplement to SSI recipients reaches the budget level provided in 1995 for this program, the method of calculating the State Supplement payment will be changed to the total budget method of paying the State Supplement.

1997-99 Budget
Dept of Social and Health Services
Economic Services

5. GAU Naturalization Effort - This item provides funding to assist legal immigrants in the citizenship process that will allow them to retain or regain their Social Security Income (SSI) eligibility as early as possible. The costs of naturalization include a fee for community based organizations to hold ten week bilingual citizenship training classes, and application fees charged by the Immigration and Naturalization Service (INS). Also included in this step is the estimated General Assistance-Unemployable (GA-U) caseload savings as clients obtain citizenship and regain their eligibility under SSI.

6. Health Services Account Reduction - This item eliminates funding no longer required for BHP enrollment assistance. (Health Services Account)

7. General Inflation - This item provides for increased funding due to inflationary cost increases in maintenance level and eliminates the increase due to inflation in policy level. (General Fund - State, General Fund - Federal)

8. Integrated Child Care System - This item increases the availability of child care for families who need help in meeting the cost of child care. A seamless child care program is created by HB 3901, Implementing Welfare Reform. Funding provided in this item will allow persons on TANF to participate in work programs and low income working persons to receive assistance to offset the cost of child care. (General Fund-State, General Fund-Federal)

9. General Assistance-Unemployable Cut - This item requires DSHS to change the eligibility process for GA-U to limit eligibility for those with behavior problems.

10. ISSD Administrative Reduction - This item reduces FTEs and related costs in the planning, administrative and systems support sections of the Information Systems Support Division. Cost reductions are spread to DSHS programs utilizing ISSD services. (General Fund - State, General Fund - Federal)

11. Limit Eligibility for GA-U Program - SB 5924 requires GA-U recipients who have alcohol or drug addiction as a contributing factor to their disability be in treatment in order to receive benefits. This item provides for treatment of recipients and recognizes savings from recipients leaving the GA-U caseload pursuant to the bill.

12. Welfare Reform Legislation - This item funds HB 3901, Welfare Reform Legislation. The bill requires funding of the state Maintenance of Effort under the Temporary Assistance for Needy Families Program plus the total TANF block grant and Child Care Block Grant awarded to the state each year. The bill creates a food stamp assistance program for legal immigrants who resided in Washington prior to passage of the federal welfare reform law (P.L. 104-193) (approximately \$65 million) and child care for low income working families and for those on the TANF program who are in work activities. Child care funding is provided in the item titled "Integrated Child Care System". The amounts provided plus the current services level budget fully fund the requirements of the bill.

13. Targeted Vendor Rate Increase - In the Governor's budget, this item provides a general vendor rate increase of 2.5% on July 1, 1997 and 2.5% on July 1, 1998. The Senate budget provides a 3% vendor rate increase on July 1, 1997. Vendors provided with rate increases include child care vendors. (General Fund-State, General Fund-Federal)

14. Temporary Assistance(TANF) Transfer - With the implementation of the Temporary Assistance to Needy Families (TANF) block grant, additional work and time limit requirements are placed on families served by the federal funding. These additional requirements will be harder to track at the client level in the Division of Children and Family Services. This item removes the TANF federal funding from the Division of Children and Family Services and transfers this funding to Economic Services. The same amount of state funding is then transferred out of Economic Services and placed in the Division of Children and Family Services. (General Fund-State, General Fund-Federal)

*** Food Stamp Work Program** - In the Governor's budget, funding is provided for a work program for food stamp recipients who will lose their benefits unless they participate in a work activity. The Senate budget does not fund this item because food stamp recipients are responsible for meeting federal guidelines on their own. (General Fund-State, General Fund-Federal)

1997-99 Budget
Dept of Social and Health Services
Economic Services

- * **WorkFirst Program** - In the Governor's budget, funding for an additional 1,000 slots in Fiscal Year 1998 and 1,500 slots in Fiscal Year 1999 for the one-parent households in the Job Opportunities and Basic Skills Program (JOBS) is provided plus an increase in the average cost per client for the base program. The Senate budget provides for work program funding in the item below titled "Welfare Reform Legislation".
- * **Field Staff Training** - In the Governor's budget, this item funds training for the financial and social workers in the Community Services Offices plus contractors who deal with welfare clients. The Senate budget requires that training for welfare reform be provided out of funding provided in the item titled "Welfare Reform Legislation" below.
- * **Grant Diversion #** - In the Governor's budget, funding is provided for a new program designed to give temporary cash assistance to families at risk of becoming welfare dependent. The Senate budget provides funding for this item in the item below titled "Welfare Reform Legislation". (General Fund-State, General Fund-Federal)
- * **Streamlining Eligibility #** - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) allows states to set program eligibility instead of the federal government. This item streamlines program eligibility by: 1) eliminating the three-tiered income test, using the payment standard test instead; 2) eliminating the graduation requirement for eighteen year olds in high school, these clients would need to be attending high school to receive assistance beyond their eighteenth birthday; 3) eliminating retrospective budgeting of income; and 4) extending eligibility reviews to twelve months instead of six months. The Senate budget provides flexibility for the Department to make these changes, but directs that funding saved be redirected to assist the recipients on TANF in getting to work. (General Fund-State, General Fund-Federal)
- * **License Suspension #** - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) requires states to have laws providing for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. In the Governor's budget, this item includes funding for the additional workload and hearings plus the estimated child support collections which may result. The Senate budget includes funding required and anticipated savings in the item below titled "Welfare Reform Legislation". (General Fund-State, General Fund-Federal)
- * **Caseload Decline Due to WorkFirst** - In the Governor's budget, this item assumes a two percent increase in exits from the Temporary Assistance for Needy Families (TANF) caseloads. The legislative budget does not reduce the budget of Economic Services for caseload savings. Savings are redirected back into the program to serve remaining recipients in getting work. The Senate budget includes funding required in the item below titled "Welfare Reform Legislation". (General Fund-State, General Fund-Federal)
- * **Eliminate \$50 Pass Through #** - Prior to October 1, 1996, under state and federal law, the state was required to pass-through to the client the first \$50 of any child support paid in the month in which it was due. Funding was shared between the state and federal government and benefited approximately twenty-five percent of the Temporary Assistance for Needy Families (TANF) clients. In the Governor and Senate budgets, the \$50 pass-through is eliminated. The Senate budget does not reduce the Economic Services budget as a result, but redirects funding back into the program to serve TANF recipients in the most effective manner.
- * **Food Program for Legal Immigrants#** - In the Governor's budget, this funding provides state-funded food voucher benefits to legal immigrants who can no longer qualify for Food Stamp Program benefits under the recently enacted federal welfare bill, Public Law 104-193. The Senate budget provides for a food stamp program at the current level of benefits for certain legal immigrants in the item below titled "Welfare Reform Legislation".
- * **Food Stamp Naturalization Effort** - In the Governor's budget, this item provides funding to assist legal immigrants in the citizenship process that will allow them to retain or regain their food stamp benefits as early as possible. Also included in this step is the estimated state food voucher program caseload savings as clients obtain citizenship and regain their eligibility under the Federal Food Stamp Program. The Senate budget does not fund the costs associated with this function in this item, as they are included in the item below titled "Welfare Reform Legislation".

1997-99 Budget
Dept of Social and Health Services
Economic Services

* **Newly Arriving Legal Immigrants** - Newly arriving legal immigrants will not be eligible for Temporary Assistance for Needy Families (TANF) or Title XIX medical assistance. In the Governor's budget, a state-only program for these recipients is funded. The Senate budget does not fund this item because the Senate Welfare Reform Legislation does not allow for public assistance to newly arriving legal immigrants. (General Fund-State, General Fund-Federal)

* **WorkFirst Evaluation** - In the Governor's budget, funding is provided for an evaluation of the WorkFirst program and a study of the characteristics of adult recipients of Temporary Assistance for Needy Families (TANF). The Senate budget provides for studies to be performed within the funding of the TANF program, in the item below labelled "Welfare Reform Legislation".

* **Consolidated Assistance Units** - In the Governor's budget, this item reduces cash grants to certain families in TANF, depending on whether a child lives in or out of the home. The Senate budget does not make this reduction, but provides funding for the TANF program in the item below labelled "Welfare Reform Legislation". If the Department determines that this change in policy will improve the effectiveness of the TANF program, resulting savings can be devoted to serving those on public assistance to find paid employment.

1997-99 Budget
Dept of Social and Health Services
Alcohol & Substance Abuse
(Dollars in Thousands)

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	21,043	174,615
1997-99 Maintenance Level (ERL)	24,472	177,665
Policy Changes:		
1. Fetal Alcohol Syndrome	1,520	1,520
2. Treatment For SSI/SSDI Persons	3,506	5,506
3. General Inflation	-68	-68
4. Reduce Administration	-370	-616
5. Reduce ADATSA Transportation	-230	-230
6. ISSD Administrative Reduction	-14	-14
7. Refocus Treatment to Outpatient	0	-5,713
8. Targeted Vendor Rate Increase	2,007	4,574
9. Balance Health Services Account	970	0
Total Policy Changes	7,321	4,959
Total 1997-99 Biennium	31,793	182,624
Difference from 1995-97	10,750	8,009
% Change from 1995-97	51.1%	4.6%

Comments:

1. Fetal Alcohol Syndrome - Funds are provided for an advocacy program to provide coordinated services to the highest risk mothers who are abusing alcohol. These women include those who have given birth to a child with Fetal Alcohol Syndrome/Alcohol Related Neurodevelopmental Disorder. In the Senate budget, this item is funded at the amount requested for the program in 1996.

2. Treatment For SSI/SSDI Persons - This item provides funding for individuals who lose SSI eligibility due to changes in the federal law which deny eligibility for those addicted to drugs or alcohol. Many of those who lose eligibility will be eligible for the General Assistance - Unemployable program. This item provides treatment services for those losing SSI benefits who are not eligible for GA-U. (General Fund - State, General Fund - Federal)

3. General Inflation - This item provides for increased funding due to inflationary cost increases in maintenance level and eliminates the increase due to inflation in policy level.

4. Reduce Administration - This item reduces administrative staff and costs in the Division of Alcohol and Substance Abuse. The Governor's budget makes a smaller reduction than the Senate budget. The Senate budget reduces administration as a percent of total Division costs from 33% to 20%, according to the Department of Personnel definition of administrative activities. (General Fund - State, General Fund - Federal)

5. Reduce ADATSA Transportation - This item eliminates the payment of a portion of the transportation costs for individuals who must travel to reach treatment services.

6. ISSD Administrative Reduction - This item reduces FTEs and related costs in the planning, administrative and systems support sections of the Information Systems Support Division. Cost reductions are spread to DSHS programs utilizing ISSD services. (General Fund - State, General Fund - Federal)

1997-99 Budget
Dept of Social and Health Services
Alcohol & Substance Abuse

7. Refocus Treatment to Outpatient - This item reduces funding for inpatient treatment in the Division. Treatment for drug and alcohol addiction shall be provided more on an outpatient basis in order to accommodate this reduction. (Violence Reduction and Drug Enforcement Account)

8. Targeted Vendor Rate Increase - In the Governor's budget, this item provides a general vendor rate increase of 2.5% on July 1, 1997 and 2.5% on July 1, 1998. The Senate budget provides a 3% vendor rate increase on July 1, 1997. Vendors provided with rate increases include child care vendors. (General Fund-State, General Fund-Federal, Violence Reduction and Drug Enforcement Account)

9. Balance Health Services Account - In the Senate budget, funding for the fetal alcohol syndrome diagnostic center and treatment of drug or alcohol addicted youth is shifted to the General Fund--State in order to balance the Health Services Account. (General Fund - State, Health Services Account)

*** DSHS Employee Background Checks #** - In the Governor's budget, this item funds the cost of 2SSB 5528 - Background Checks. The Senate budget reflects updated funding estimates from the Department. (General Fund-State, General Fund-Federal)

*** Expand Treatment Capacity** - The Alcoholism and Drug Abuse Treatment and Support Act (ADATSA) program does not have sufficient capacity to readily provide chemical dependency treatment to approximately 600 individuals already found eligible for ADATSA services. Funds are provided to expand treatment capacity of ADATSA program to accommodate an additional 320 clients in Fiscal Year 1998, and 400 clients in Fiscal Year 1999. The legislative budget does not fund this item. Additional ADATSA services are funded under the SSI/SSDI item above.

*** DASA Services - WorkFirst Program** - In the Governor's budget, funding is provided for welfare recipients who are identified as having a treatable substance abuse problem to receive treatment. The Senate welfare reform bill provides for funding of treatment within the Temporary Assistance for Needy Families program budget. (General Fund-State, General Fund-Federal)

*** Health Services Account Transfers** - In the Governor's budget, this item eliminates a FAS diagnostic center funded through the University of Washington from the Health Services Account due to a revenue shortfall. The Senate budget transfers this program to the general fund in the item labelled "Balance Health Services Account" below. (Health Services Account)

1997-99 Budget
Dept of Social and Health Services
Medical Assistance Payments
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	1,328,205	3,510,751
1997-99 Maintenance Level (ERL)	1,401,231	4,011,692
Policy Changes:		
1. General Inflation	-390	-995
2. Caseload Decline Due to WorkFirst	-3,941	-8,223
3. General Assistance-Unemployable Cut	-4,345	-5,625
4. ISSD Administrative Reduction	-11	-30
5. Hospital Savings	-2,310	-4,828
6. Managed Care Per Capitas	-18,260	-49,754
7. Reduce Drug Ingredient Payment	-4,590	-9,253
8. Providers Provide Interpreters	-7,600	-18,520
9. Premiums for Able-Bodied Adults	-5,472	-11,525
10. Air Ambulance Rate Increase	650	1,288
11. Targeted Vendor Rate Increase	9,354	20,328
12. Balance Health Services Account	30,313	0
Total Policy Changes	-6,602	-87,137
Total 1997-99 Biennium	1,394,629	3,924,555
Difference from 1995-97	66,424	413,804
% Change from 1995-97	5.0%	11.8%

Comments:

1. General Inflation - The Senate budget requires agencies to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Other Funds: General Fund-Federal)

2. Caseload Decline Due to WorkFirst - This item assumes that the number of non-disabled adults receiving publicly-funded medical assistance will decrease by approximately 0.6% in FY 98, and by approximately 2.5% in FY 99 as a result of increased work opportunities resulting from welfare reform. This is the same level of Medicaid caseload reduction assumed in the Governor's budget proposal. The Senate budget anticipates a larger medical assistance expenditure reduction than proposed by the Governor because it calculates the savings with the average cost per AFDC adult case, rather than with the average cost per AFDC recipient, since only adults are expected to leave the medicaid rolls. It is assumed that most children whose parents leave or are diverted from welfare will continue to be eligible for medicaid under the 200% of poverty children's eligibility level. (Other Funds: General Fund-Federal)

3. General Assistance-Unemployable Cut - The use of "vocational factors" in determining eligibility for the General Assistance-Unemployable program is to be limited. This is expected to result in approximately 570 fewer people qualifying for state-funded medical care in FY 98, and in 1,064 fewer qualifying for such care in FY 99. (Other Funds: General Fund-Federal)

4. ISSD Administrative Reduction - This item reduces FTEs and related costs in the planning, administrative, and systems support sections of the Information Systems Support Division (ISSD). This results in savings for all of the DSHS programs which use ISSD services through a chargeback system. (Other Funds: General Fund-Federal)

5. Hospital Savings - The Medical Assistance Administration expects to reduce expenditures by (1) selectively contracting with only a few "Centers of Excellence" for performance of certain organ transplants; and (2) negotiating larger volume discounts with urban hospitals, as an alternative to selectively contracting with only a few of the hospitals in those areas. (Other Funds: General Fund-Federal)

1997-99 Budget
Dept of Social and Health Services
Medical Assistance Payments

6. Managed Care Per Capitas - This step represents savings by increasing average managed care rates by no more than 2 percent per person per year. The Senate budget provides for average SSI managed care rates to also increase by no more than 2% per year, resulting in a larger savings than proposed by the Governor. (Other Funds: General Fund-Federal, Health Services Account-State)

7. Reduce Drug Ingredient Payment - The Medical Assistance Administration will reduce payments for drug ingredients from 89% of the average wholesale price (AWP) for brand-name drugs without a generic equivalent, and from 89% of the average wholesale price for the third-lowest priced drug for most generic drugs, to 85% of AWP. With these changes, payments for drug ingredients on behalf of medical assistance recipients will be comparable to what is paid for state employees enrolled in the Uniform Medical Plan, which pays 88% of the AWP for brand-name drugs, and 80% of the AWP for generics. (Other Funds: Health Services Account, General Fund-Federal)

8. Providers Provide Interpreters - Total projected expenditures on interpreter services will be reduced by 70% by (1) making additional toll-free interpreter telephone lines available to recipients and medical practitioners, rather than paying for individual interpreters to accompany recipients to medical appointments; and (2) requiring providers to provide needed interpreter services within their current payment rates, as is currently done in most other states. The Senate budget allocates state savings between General Fund-State and the Health Services Account as originally proposed by the agency, resulting in a lower General Fund-State reduction than proposed by the Governor. (Other Funds: Health Services Account, General Fund-Federal)

9. Premiums for Able-Bodied Adults - At the Governor's direction, the DSHS Medical Assistance Administration will seek federal permission to require all adults who are not elderly or disabled to contribute \$10 per month toward the cost of their Medicaid coverage. Because a federal demonstration waiver will be required to implement this change, no savings are anticipated before the second year of the biennium. The Senate budget assumes lower savings than projected by the Governor because it factors in the overhead costs which will need to be incurred to bill for and collect the premiums. (Other Funds: General Fund-Federal)

10. Air Ambulance Rate Increase - Funding is provided to increase state payment rates for air ambulance services to a level more comparable to the percentage of billed charges paid for ground ambulance services, and by other states. (Other Funds: General Fund-Federal)

11. Targeted Vendor Rate Increase - The Senate budget provides a 3% increase for all contracted social and health services providers effective July 1, 1997. The increase applies to all contractors except for those such as hospitals, nursing homes, or managed care contractors for whom increases are provided through separate legal agreements or competitive bidding processes. (Other Funds: General Fund-Federal)

12. Balance Health Services Account - In order to maintain Basic Health Plan services to the extent possible within available revenues, funding for the Medically Indigent program is transferred from the Health Services Account to general fund-state. (Other Funds: Health Services Account)

*** DSHS Employee Background Checks #** - The Senate budget provides funding for 2SSB 5528 - Background Checks in the central DSHS administration program. (Other Funds: General Fund-Federal)

*** Newly Arriving Legal Immigrants** - Legal immigrants arriving in the country after the effective date of the new federal welfare act will no longer be eligible for welfare or medicaid. The Senate budget does not include funding for the new state-funded welfare and medical assistance program for such immigrants proposed by the Governor. (Other Funds: General Fund-Federal)

*** Family Planning Services** - The Governor's budget anticipates that providing funds in the Department of Health budget for vasectomies for 1,000 men who have low incomes would result in 200 fewer births to women on Medicaid, and a net savings to the state. The Senate budget does not fund this item, because the anticipated savings seem unrealistically high. (Other Funds: General Fund-Federal)

1997-99 Budget
Dept of Social and Health Services
Medical Assistance Payments

* **Constraint of Fee-for-Service** - The Governor's budget proposes an across-the-board 2% reduction in the rates paid for most medical services not included in managed care. The Senate budget does not concur with this reduction. (Other Funds: General Fund-Federal)

1997-99 Budget
Dept of Social and Health Services
Vocational Rehabilitation
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	15,876	92,814
1997-99 Maintenance Level (ERL)	15,902	93,362
Policy Changes:		
1. General Inflation	-22	-150
2. Basic/Support Employment Grant	495	2,401
3. ISSD Administrative Reduction	-10	-40
4. 1997-99 High School Graduates	869	4,077
5. Targeted Vendor Rate Increase	40	40
Total Policy Changes	1,372	6,328
Total 1997-99 Biennium	17,274	99,690
Difference from 1995-97	1,398	6,876
% Change from 1995-97	8.8%	7.4%

Comments:

1. General Inflation - The Senate budget requires agencies to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Other Funds: General Fund-Federal)

2. Basic/Support Employment Grant - The agency estimates that federal revenues for the Basic Support Rehabilitation Services and the Supported Employment Program will increase by approximately 3 percent per year in 1997-99. This item provides the 21.3 percent state match which is needed if the state is to collect the increased federal funds. (Other Funds: General Fund-Federal)

3. ISSD Administrative Reduction - This item reduces FTEs and related costs in the planning, administrative, and systems support sections of the Information Systems Support Division (ISSD). This results in savings for all of the DSHS programs which use ISSD services through a chargeback system. (Other Funds: General Fund-Federal)

4. 1997-99 High School Graduates - Funding is provided for the Division of Vocational Rehabilitation to provide job training and placement for approximately 65% of the 900 students with developmental disabilities who will graduate from high school in 1996 and 1997. Funding for other graduates, and ongoing support for all who require it, is provided in the Division of Developmental Disabilities budget. (Other Funds: General Fund-Federal)

5. Targeted Vendor Rate Increase - The Senate budget provides a 3% inflationary increase for extended job support services contractors effective July 1, 1997.

1997-99 Budget
Dept of Social and Health Services
Administration/Support Svcs
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	53,792	99,518
1997-99 Maintenance Level (ERL)	51,782	95,249
Policy Changes:		
1. DSHS Employee Background Checks #	644	933
2. License Suspension #	119	350
3. General Inflation	-287	-550
4. Administrative Reduction	-2,000	-3,432
5. ISSD Administrative Reduction	0	-142
Total Policy Changes	-1,524	-2,841
Total 1997-99 Biennium	50,258	92,408
Difference from 1995-97	-3,534	-7,110
% Change from 1995-97	-6.6%	-7.1%

Comments:

1. DSHS Employee Background Checks # - This item provides funding for 2SSB 5528 - Background Checks. The Senate budget reflects updated funding estimates by the Department and centralizes funding in the Administration Program. (General Fund - State, General Fund - Federal)

2. License Suspension # - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) requires states to have laws providing for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. This item funds the license suspension provisions of EHB 3901 - Implementing Welfare Reform. (General Fund-State, General Fund-Federal)

3. General Inflation - This item provides for increased funding due to inflationary cost increases in maintenance level and eliminates the increase due to inflation in policy level. (General Fund - State, General Fund - Federal)

4. Administrative Reduction - This item reduces the administrative functions in the agency. The Department may reduce administrative functions across its various programs to achieve this reduction, or may reduce the central administrative office budgets. However, the Sexual Minority Initiative must be eliminated pursuant to this reduction. (General Fund-State, General Fund-Federal)

5. ISSD Administrative Reduction - This item reduces FTEs and related costs in the planning, administrative and systems support sections of the Information Systems Support Division. Cost reductions are spread to DSHS programs utilizing ISSD services. (General Fund - State, General Fund - Federal)

*** Juvenile Offender Sentencing #** - In the Governor's budget, additional staff are provided to administer parent-pay revenue collections related to parole conditions contained in the governor's Juvenile Offender Sentencing initiative. This bill is not funded in the Senate budget.

1997-99 Budget
Dept of Social and Health Services
Child Support Services
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	39,685	213,934
1997-99 Maintenance Level (ERL)	41,938	220,908
Policy Changes:		
1. State Directory of New Hires #	236	693
2. Paternity Establishment #	89	259
3. License Suspension #	474	1,255
4. General Inflation	-738	-2,170
5. ISSD Administrative Reduction	-85	-390
Total Policy Changes	-24	-353
Total 1997-99 Biennium	41,914	220,555
Difference from 1995-97	2,229	6,621
% Change from 1995-97	5.6%	3.1%

Comments:

1. State Directory of New Hires # - Effective no later than October 1, 1998, all employers are required to furnish, within 20 days, new hire data to the State Directory of New Hires. Currently employers under six Standard Industrial Classification (SIC) codes report new hires. The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) adds another 77 SIC codes. (General Fund-State, General Fund-Federal)

2. Paternity Establishment # - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) requires states to establish parentage for 90 percent of the children in their child support caseload effective October 1, 1999 (up from 75 percent). This item funds increased outreach to local hospitals. (General Fund-State, General Fund-Federal)

3. License Suspension # - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) requires states to have laws providing for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. This item funds the license suspension provisions of EHB 3901, Implementing Welfare Reform. (General Fund-State, General Fund-Federal)

4. General Inflation - This item provides for increased funding due to inflationary cost increases in maintenance level and eliminates the increase due to inflation in policy level. (General Fund - State, General Fund - Federal)

5. ISSD Administrative Reduction - This item reduces FTEs and related costs in the planning, administrative and systems support sections of the Information Systems Support Division. Cost reductions are spread to DSHS programs utilizing ISSD services. (General Fund - State, General Fund - Federal)

*** Child Support Ad Campaign** - In the Governor's budget, funding is provided in the first year of the biennium for a child support marketing campaign to encourage parents to fulfill their responsibility of supporting their children and to increase child support collections. The Senate budget does not include this item because other activities, including license suspension, will result in increased child support collections. (General Fund-State, General Fund-Federal)

1997-99 Budget
Dept of Social and Health Services
Payments to Other Agencies
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	42,648	59,335
1997-99 Maintenance Level (ERL)	48,640	66,408
Policy Changes:		
1. License Suspension #	612	1,798
2. General Inflation	-31	-50
Total Policy Changes	581	1,748
Total 1997-99 Biennium	49,221	68,156
Difference from 1995-97	6,573	8,821
% Change from 1995-97	15.4%	14.9%

Comments:

1. License Suspension # - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) requires states to have laws providing for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. This item provides funding for the license suspension provisions in EHB 3901 - Implementing Welfare Reform (General Fund-State, General Fund-Federal)

2. General Inflation - This item provides for increased funding due to inflationary cost increases in maintenance level and eliminates the increase due to inflation in policy level. (General Fund - State, General Fund - Federal)

1997-99 Budget
Dept of Social and Health Services
Information System Services
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	0	0
1997-99 Maintenance Level (ERL)	0	0
Total 1997-99 Biennium	0	0
Difference from 1995-97	0	0
% Change from 1995-97	0.0%	0.0%

Comments:

* **ISSD Administrative Reduction** - In the Senate budget, this item reduces FTEs and related costs in ISSD's administrative, planning and systems staff. A total of 34 staff are phased out over the biennium. Reduced groups include management, administration and planning, budget challenge and client financial systems support. Costs related to this reduction are reduced in DSHS programs.

1997-99 Budget
Washington State Energy Office
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	529	529
1997-99 Maintenance Level (ERL)	0	0
Total 1997-99 Biennium	0	0
Difference from 1995-97	-529	-529
% Change from 1995-97	-100.0%	-100.0%

Comments:

1997-99 Budget
Columbia River Gorge Commission
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	593	1,131
1997-99 Maintenance Level (ERL)	605	1,155
Policy Changes:		
1. Grants to Gorge Counties	240	480
2. General Inflation	-4	-8
3. Operating Reduction	-406	-757
Total Policy Changes	-170	-285
Total 1997-99 Biennium	435	870
Difference from 1995-97	-158	-261
% Change from 1995-97	-26.6%	-23.1%

Comments:

1. Grants to Gorge Counties - This item provides financial assistance to each of the three Washington counties within the Scenic Area to carry out their responsibilities under the federal act. The Commission is directed to provide each county with an \$80,000 grant for the biennium.

2. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

3. Operating Reduction - Commission costs are reduced. Funds are shifted to the counties for administration and implementation of the Scenic Area Act.

* **Implement Monitoring Program** - The Governor proposed additional funding for the Gorge Commission to monitor implementation of the Columbia River Gorge Scenic Area Act (P.L. 99-663). The Senate budget does not fund this item. In Fiscal Year 1997 the Commission received a \$215,000 federal grant from the United States Environmental Protection Agency to develop a monitoring program.

* **Reduce Commissioner Expenses** - The Governor's budget reduces funding for commissioner's expenses. The Senate budget does not include this adjustment.

1997-99 Budget
Department of Ecology
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	45,124	246,868
1997-99 Maintenance Level (ERL)	45,966	239,389
Policy Changes:		
1. State/Federal Relations	-50	-50
2. Administration Program Reductions	-808	-808
3. Reduced Project Coordination	-179	-179
4. Shoreline Assistance & Enforcement	-245	-490
5. Sediment Management	-89	-89
6. Flood Control Assistance	1,000	1,600
7. Toxic Cleanups	0	2,202
8. Prevention and Clean Up of Litter	0	4,514
9. Intertanko Lawsuit	0	240
10. Office of Marine Safety Merger	0	80
11. Yakima Adjudication	274	0
12. Solid Waste Permit Renewals #	0	-59
13. General Inflation	-179	-962
14. Programmatic Adjustments	0	-3,884
15. License Suspension #	17	17
16. Watershed Planning Grants	5,000	5,000
17. Senate Water Bills	695	695
18. Biosolids Permit Program (SB 5590)	0	356
Total Policy Changes	5,436	8,183
Total 1997-99 Biennium	51,402	247,572
Difference from 1995-97	6,278	704
% Change from 1995-97	13.9%	0.3%

Comments:

- 1. State/Federal Relations** - This item reduces general fund state support for the Nuclear Waste Program.
- 2. Administration Program Reductions** - This item reduces administrative support by 7 FTEs agency-wide.
- 3. Reduced Project Coordination** - Reductions are made in staff responsible for issuing and coordinating several types of permits.
- 4. Shoreline Assistance & Enforcement** - This item reduces staffing within the Shorelands Program for activities related to providing technical assistance to local governments, wetlands management and enforcement (General Fund-State, General Fund-Federal).
- 5. Sediment Management** - This item reduces funding for scientific and technical studies related to the sediment management program.
- 6. Flood Control Assistance** - \$1 million is provided for continuation of a coastal erosion study that was begun in the 1995-97 biennium. In addition, an adjustment is made to allow the department to carry forward \$600,000 in unspent funds from the 1995-97 biennium for flood control projects that were delayed due to weather or permitting concerns. (Flood Control Assistance Account)

1997-99 Budget Department of Ecology

7. Toxic Cleanups - Funding is provided to implement the recommendations of the Model Toxics Control Act Policy Advisory Committee. Ecology will recover approximately \$2 million through enhanced technical assistance to owners of contaminated sites. (State Toxics Control Account, Local Toxics Control Account)

8. Prevention and Clean Up of Litter - Funding is provided to implement SSB 5842 (Litter Control Account Allocation). Funding is provided for the department to: add Ecology Youth Corps crews to pick up litter on the state's highways; increase grants to local governments for litter pick up; and conduct a statewide public education campaign to control litter and promote recycling. (Waste Reduction, Recycling and Litter Control Account)

9. Intertanko Lawsuit - Funding is provided for attorney general services related to the appeal of the recent court decision on the Intertanko lawsuit. (Oil Spill Administration Account)

10. Office of Marine Safety Merger - One-time funding is provided to address moving costs associated with the merger of the Office of Marine Safety into the Department of Ecology. (Oil Spill Administration Account)

11. Yakima Adjudication - Continued funding is provided for additional staff support to the Yakima County Superior Court for costs associated with the Yakima adjudication. This item makes a technical adjustment in order to carry-forward funding that was provided in the 1996 Supplemental budget.

12. Solid Waste Permit Renewals # - Legislation is being considered that would enable local health departments to renew solid waste management facility permits every five years, rather than the current mandate for annual renewal (SB 5331). This change will result in administrative savings. (Waste Reduction, Recycling and Litter Control Account)

13. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

14. Programmatic Adjustments - Several of DOE's programs will experience reductions as a result of increased operating costs and/or revenue shortfalls. For example, fewer dollars will be available to clean up tire piles, address air quality, mitigate fresh water weeds, and provide flood control assistance. (General Fund-Private/Local, Flood Control Assistance Account, Vehicle Tire Recycling Account, Wood Stove Education and Enforcement Account, State Toxics Control Account, Air Pollution Control Account, Air Operating Permit Account, Freshwater Aquatic Weeds Account, Metals Mining Account)

15. License Suspension # - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) requires states to have laws providing for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is provided for the additional workload associated with the license suspension.

16. Watershed Planning Grants - Funding is provided in the second year of the biennium for grants to support local water resource planning efforts.

17. Senate Water Bills - Funding is provided for implementation of SSB 5505 (Assistance to water applicants); SSB 5703 (Water claims); SSB 5785 (Consolidation of groundwater rights); SSB 5276 (water right applications); and SSB 5030 (Lakewater irrigation).

18. Biosolids Permit Program (SB 5590) - Appropriation authority is provided for implementation of a new biosolids permitting program, as provided in SB 5590).

* **Water Policy Development** - The Governor proposed funding for facilitation services in order to develop recommendations for a statewide water policy. The Senate budget does not fund this item.

* **Water Resources Infrastructure** - The Governor proposed funding for the department's Water Resources Program, including funding for processing water rights and data management. The Senate budget does not fund this item.

1997-99 Budget
Department of Ecology

Wednesday, Mar. 26, 1997
4:22 pm

* **Dairy Waste Management** - The Governor proposed funding for additional inspections and technical assistance staff for the dairy waste management program. The Senate provides funding in the Capital Budget for the Conservation Commission to continue cost-share grants to assist dairies in implementing dairy waste management plans. (Water Quality Account)

* **Marine Safety Inspectors** - The Governor proposed funding for two additional vessel inspectors for the state's oil spill prevention program. The Senate budget does not fund this item.

* **Community Watershed Assistance** - The Governor proposed funding for interagency teams to assist local watershed planning efforts. The Senate budget does not fund this item.

* **Puget Sound Action Plan** - The Governor proposed increased funding for an element of the Puget Sound Action Plan. The Senate budget does not fund this enhancement.

1997-99 Budget
WA Pollution Liab Insurance Program
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	0	2,450
1997-99 Maintenance Level (ERL)	0	1,963
Policy Changes:		
1. Technical Assistance Program #	0	104
2. General Inflation	0	-8
Total Policy Changes	0	96
Total 1997-99 Biennium	0	2,059
Difference from 1995-97	0	-391
% Change from 1995-97	0.0%	-16.0%

Comments:

1. Technical Assistance Program # - Departmental request legislation would authorize the agency to offer technical assistance to owners and operators of heating oil tanks. The staff and funding for this technical assistance program are provided contingent upon the passage of the legislation (SSB 5010).

2. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

1997-99 Budget
State Parks and Recreation Comm
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	37,795	68,014
1997-99 Maintenance Level (ERL)	40,747	70,604
Policy Changes:		
1. Retrospective Rating Refund	0	10
2. 1997-99 COP Project Impact	0	150
3. Boating Safety	0	480
4. Snowmobile/Sno-Park Grooming	0	692
5. General Inflation	-209	-359
6. Dedicated Projects	0	500
7. Maintain Current Park Operations	1,000	1,000
8. Underwater Parks	250	250
9. Feasibility Study	45	45
10. Interpretive Materials	0	158
Total Policy Changes	1,086	2,926
Total 1997-99 Biennium	41,833	73,530
Difference from 1995-97	4,038	5,516
% Change from 1995-97	10.7%	8.1%

Comments:

1. Retrospective Rating Refund - The Department of Labor and Industries retrospective rating refund will be used to enhance safety programs in the agency. (Industrial Insurance Premium Refund Account)

2. 1997-99 COP Project Impact - In the 1995-97 Biennium, State Parks was authorized to pursue \$600,000 in Certificate of Participation (COP) projects. These projects make investments in park facilities which generate additional revenue. An additional COP project is recommended in the Senate's 1997-99 capital budget. Funding is provided for debt service and additional staff for the projects completed in the 1997-99 Biennium. (Parks Renewal and Stewardship Account)

3. Boating Safety - The Federal Fiscal Year 1997 budget provides a \$15 million increase in boating safety funds distributed to the states. Additional anticipated federal funding is provided to increase boating safety activities and grants. (General Fund-Federal)

4. Snowmobile/Sno-Park Grooming - Chapter 164, Laws of 1996 (Engrossed Senate Bill 6566) increased snowmobile registration fees. These additional revenues are appropriated to purchase additional snow grooming equipment and to increase grooming of snowmobile trails. Additional funding is also provided for increased grooming of cross country ski trails at state sno-parks. (Winter Recreation Program Account, Snowmobile Account)

5. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

6. Dedicated Projects - Additional appropriation authority is provided to complete projects funded through dedicated donations. (Parks Renewal and Stewardship Account)

7. Maintain Current Park Operations - In order to avoid park closures, the Senate budget provides one-time funding to offset the projected shortfall in revenues to the Parks Renewal and Stewardship Account (PRSA). PRSA revenues are expected to replace this one-time funding in the 1999-01 biennium.

1997-99 Budget
State Parks and Recreation Comm

Wednesday, Mar. 26, 1997
4:22 pm

8. Underwater Parks - Funding is provided to support the development of an underwater parks program. Specific plans will be developed in conjunction with the Underwater Parks Task Force facilitated by State Parks.

9. Feasibility Study - Funding is provided for a feasibility study of a public/private landowner effort to establish a reserve for recreation and environmental studies in Kitsap County.

10. Interpretive Materials - This item provides funding to acquire additional interpretive materials for sale at state parks. (Parks Improvement Account, Parks Renewal and Stewardship Account)

* **Revenue Enhancement** - The Governor's budget proposes to implement a day use parking fee at selected state parks in order to address a revenue shortfall in the Parks Renewal and Stewardship Account. The Senate budget does not propose day use fees. (Parks Renewal and Stewardship Account)

* **Visitor Safety** - The Governor proposed funding for additional staff at selected parks. The Senate budget does not fund this item.

1997-99 Budget
Interagency Comm for Outdoor Rec
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	0	3,317
1997-99 Maintenance Level (ERL)	0	2,784
Policy Changes:		
1. Recreation Accessibility Specialist	0	68
2. PRISM Data System Enhancement	0	150
3. General Inflation	0	-10
Total Policy Changes	0	208
Total 1997-99 Biennium	0	2,992
Difference from 1995-97	0	-325
% Change from 1995-97	0.0%	-9.8%

Comments:

1. Recreation Accessibility Specialist - Funding is provided for a recreation accessibility specialist to train and advise state, federal, tribal, and local agencies on the design and operation of recreation facilities to meet barrier-free access issues associated with the Americans with Disabilities Act (ADA). In addition to training agencies, this position will continue to develop a state database of barrier-free recreation facilities. (Recreation Resources Account-State)

2. PRISM Data System Enhancement - Additional funding is provided to implement the second and final phase of the IAC's Project Information System (PRISM). Specific work will include automating remaining segments for document imaging, transmission of data to the state accounting system, on-line invoicing, archiving of data, and connecting to the Internet. (Recreation Resources Account-State)

3. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

1997-99 Budget
Environmental Hearings Office
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	1,473	1,473
1997-99 Maintenance Level (ERL)	1,549	1,549
Policy Changes:		
1. Internet Access	5	5
2. General Inflation	-8	-8
Total Policy Changes	-3	-3
Total 1997-99 Biennium	1,546	1,546
Difference from 1995-97	73	73
% Change from 1995-97	5.0%	5.0%

Comments:

1. Internet Access - Funding is provided for equipment required for Internet access. Ongoing costs for the Internet connection will be absorbed from savings in postage and travel costs.

2. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

* **Forest Practices Appeals Board #** - In recognition of the increased workload of the Forest Practices Appeals Board, SSB 5119 proposes to reclassify the Board for purposes of per diem compensation for its part-time members. The legislation would increase per diem compensation from \$50 per day to \$100 per day for each of the Board's three members. The bill contains an \$8000 appropriation to cover the costs of this change.

1997-99 Budget
State Conservation Commission
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	1,668	1,995
1997-99 Maintenance Level (ERL)	1,707	2,147
Policy Changes:		
1. Administrative Reductions	-20	-20
2. General Inflation	-9	-9
Total Policy Changes	-29	-29
Total 1997-99 Biennium	1,678	2,118
Difference from 1995-97	10	123
% Change from 1995-97	0.6%	6.2%

Comments:

1. Administrative Reductions - Reductions are made in travel and the agency's legal support costs.

2. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

* **Field Representative** - The Governor's budget provided funding for a field representative to support the implementation of projects identified in the Puget Sound Water Quality Action Plan. The Senate budget does not fund this item. (Water Resource Administration Account)

1997-99 Budget
Dept of Fish and Wildlife
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	68,947	216,563
1997-99 Maintenance Level (ERL)	69,291	248,931
Policy Changes:		
1. Habitat Partnerships	1,000	1,000
2. Warm Water Game Fish Enhancement	0	-560
3. Retrospective Rating Refund	0	120
4. Dam Maintenance and Safety	343	343
5. Wildlands Stewardship	600	600
6. Wild Salmon Management	1,657	1,657
7. General Inflation	-753	-2,479
8. License Suspension #	38	38
9. Data Entry Savings	-400	-400
10. Fisheries Management	-922	-922
11. Hatchery ESA Reprogramming	-270	-270
12. Rules Officer	-260	-260
13. License System	387	687
14. Mass Marking Implementation	700	700
15. Problem Wildlife Enforcement	640	1,000
16. Administrative Reductions	-332	-332
17. Warmwater Gamefish	-250	-250
18. Aircraft Reductions	-100	-100
19. Hatcheries Administration	-300	-300
20. Engineering Staff	0	-240
21. Consolidate Public Affairs	-120	-240
22. Remote Site Incubators (SB 5120)	393	393
23. Flood Control Permitting (SB 5442)	266	266
24. Eastern WA Pheasant Program	0	547
25. Fisheries Enhancement (SB 5102)	0	156
26. Additional Rod License (SB 5184)	0	256
27. Animal Damage Control	195	195
28. Regional Fisheries Groups (SB 5886)	0	105
29. Grants to Regional Groups	0	100
Total Policy Changes	2,512	1,810
Total 1997-99 Biennium	71,803	250,741
Difference from 1995-97	2,856	34,178
% Change from 1995-97	4.1%	15.8%

Comments:

1. Habitat Partnerships - This item was originally funded in the 1995-97 biennium with \$1.8 million in one-time federal funding. The Senate budget provides \$1 million in general fund-state dollars to continue this program in the 1997-99 biennium.

2. Warm Water Game Fish Enhancement - Funds are transferred to the capital budget for warmwater fishing access site development. (Warmwater Game Fish Account).

3. Retrospective Rating Refund - The Department of Labor and Industries retrospective rating refund will be used to enhance safety programs at the Department of Fish and Wildlife (WDFW). Activities will include safety equipment purchases. (Industrial Insurance Premium Refund Account)

1997-99 Budget Dept of Fish and Wildlife

Wednesday, Mar. 26, 1997
4:22 pm

- 4. Dam Maintenance and Safety** - WDFW owns and operates 54 earthen dams which are currently out of compliance with state inspection and maintenance regulations. These dams are used primarily for habitat improvements and hatchery operations. Funding is provided for staff to inspect these dams and to begin required maintenance. The Department will also complete an evaluation on the need for these dams and report whether they should continue to be maintained or decommissioned.
- 5. Wildlands Stewardship** - Funding is provided for four new Washington Conservation Corps crews to perform maintenance and restoration work on department-owned lands.
- 6. Wild Salmon Management** - The National Marine Fisheries Service has proposed listing additional chinook, coho and steelhead in Washington as threatened or endangered. Staff are provided to cope with the additional federal permits, research, and consultations that these listings will require. Funding is also provided for the department to review hatchery operations and to conduct genetic stock identification research. In addition, an egg-take program will be established for Dungeness Pink Salmon.
- 7. General Inflation** - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.
- 8. License Suspension #** - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) requires states to have laws providing for holding, suspending, or restricting the use of drivers, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is provided for the additional workload associated with the license suspension.
- 9. Data Entry Savings** - Positions providing data entry services for biological information will be eliminated. This information will now be entered through scanner technology. Account and time sheet data entry costs will be absorbed by the programs.
- 10. Fisheries Management** - Funding is reduced for activities related to shellfish management, halibut and sturgeon catch sampling, steelhead surveys, and other monitoring programs.
- 11. Hatchery ESA Reprogramming** - Reductions are made in hatchery production of coho at selected facilities. The Shale Creek hatchery will be closed and production reductions will occur at Kendall Creek and at the Sol Duc complex. In addition, the complexing of hatchery facilities has resulted in savings related to equipment expenditures.
- 12. Rules Officer** - The agency's centralized rules officer will be eliminated. Rule adoption work will be absorbed by agency programs.
- 13. License System** - The Senate budget provides funding for the design and development of an automated recreational license sales system. This system will streamline vendor sales and enable the agency to respond to recent audit findings. (Wildlife Fund-State)
- 14. Mass Marking Implementation** - Funding is provided for purchase of monitoring equipment to fully implement mass marking of coho salmon.
- 15. Problem Wildlife Enforcement** - This item provides funding for additional enforcement officers to address problem wildlife. The item also includes \$300,000 for the department to contract with the US Department of Agriculture for animal damage control services throughout the state. (Wildlife Fund-State)
- 16. Administrative Reductions** - This item reduces agency administrative support by 2 FTEs.
- 17. Warmwater Gamefish** - This item removes general fund state support for the warmwater fish program. These funds were provided for the first time in the 1995-97 biennium. The base budget of federal funds and Wildlife Account funds is maintained. The program is expected to grow considerably with the support of the warmwater surcharge revenue in 1997-99.
- 18. Aircraft Reductions** - Savings are assumed from reduced aircraft usage and reduced pilot time.

1997-99 Budget
Dept of Fish and Wildlife

19. Hatcheries Administration - Reductions are made in hatcheries administration, including assessment and development activities and facilities support.

20. Engineering Staff - Reductions are made in engineering staff supported by funds in the department's operating budget. (Wildlife Fund-State)

21. Consolidate Public Affairs - Savings are assumed from consolidating public affairs and outreach and education activities within the agency. (Wildlife Fund-State)

22. Remote Site Incubators (SB 5120) - Funding is provided for implementation of SSB 5120 (Remote Site Incubators).

23. Flood Control Permitting (SB 5442) - Funding is provided for implementation of SSB 5442 (Flood Control Permitting).

24. Eastern WA Pheasant Program - With passage of SSB 5104, new funds will be available for pheasant enhancement programs in eastern Washington. Appropriation authority is provided so that the department may begin implementing the program in the 1997-99 biennium. (Eastern Washington Pheasant Enhancement Account)

25. Fisheries Enhancement (SB 5102) - SSB 5102 extends the recreational fisheries surcharge to 3-day licenses. Revenue from the surcharge is dedicated to recreational fisheries enhancement programs. (Recreational Fisheries Enhancement Account)

26. Additional Rod License (SB 5184) - E2SSB 5184 authorizes an additional rod license. Revenue from the license is dedicated to improving juvenile fishing programs. Appropriation authority is provided for the 1997-99 biennium. (Juvenile Fishing Enhancement Account)

27. Animal Damage Control - Funding is provided for the department's animal damage control program for the Dusky Canadian Goose population of the Lower Columbia River region.

28. Regional Fisheries Groups (SB 5886) - SSB 5886 extends the regional fisheries enhancement surcharge to steelhead licenses and fishing guide licenses. Revenue from the surcharge is dedicated to regional fisheries enhancement programs. (Regional Fisheries Enhancement Account)

29. Grants to Regional Groups - Additional funding is provided from the Aquatic Lands Enhancement Account to support the work of the the regional fisheries enhancement groups. (Aquatic Lands Enhancement Account).

* **Watershed Management** - The Governor proposed funding for additional staff to assist the Department of Ecology in processing water right permits and establishing instream flows. The Senate budget does not fund this item.

* **Community Watershed Assistance** - The Governor proposed funding for interagency teams to assist local watershed planning efforts. The Senate does not fund this item.

* **Puget Sound Work Plan** - The Governor proposes enhancements to the Puget Sound Work Plan. The Senate budget maintains current-level funding for the department's role in implementing the plan.

* **Cooperative Fish & Wildlife Project** - The Governor reduced funding for cooperative fish and wildlife projects in order to partially fund the state's share of the clean up of Eagle Harbor. Due to a recent increase in revenues, the Senate restores funding for these projects. (Aquatic Lands Enhancement Account)

1997-99 Budget
Department of Natural Resources
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	41,786	233,526
1997-99 Maintenance Level (ERL)	48,539	227,409
Policy Changes:		
1. Fire Protection	2,700	-927
2. Geology and Mining Support	0	139
3. Natural Areas	975	0
4. Additional Timber Sales	0	8,926
5. Silvicultural Investments	0	-164
6. Public Use and Recreation	0	506
7. Jobs for the Environment	0	6,133
8. Photo and Map Activities	0	875
9. Five percent reductions	-1,690	-1,690
10. General Inflation	-269	-1,494
11. Eagle Harbor Settlement	0	2,300
12. Burning Permits	0	-16
Total Policy Changes	1,716	14,588
Total 1997-99 Biennium	50,255	241,997
Difference from 1995-97	8,469	8,471
% Change from 1995-97	20.3%	3.6%

Comments:

1. Fire Protection - Additional general fund state support is provided for the department's fire protection program in the 1997-99 biennium. (Forest Fire Protection Assessment Account)

2. Geology and Mining Support - The Department of Natural Resources monitors surface and metal mines in the state. Additional funding is provided to meet increased workload for these activities. This work will reduce the backlog in surface mining permit applications, improve technical and educational assistance and allow the regulation of one additional metal mine. (Surface Mining Reclamation Account, Metals Mining Account)

3. Natural Areas - For the last several biennia, the operation and maintenance of DNR's Natural Area Preserves and Natural Resource Conservation Areas, along with a portion of the Natural Heritage Program, have been funded through one-time revenue from an expired real estate excise tax. This funding is no longer available. Funding to continue the current level of operations is transferred to the general fund.

4. Additional Timber Sales - In recent years the workload associated with the preparation of timber sales has increased. This package provides staff necessary to maintain timber sales at the current level of 600 million board feet (MBF). Without this support the DNR timber sales will be reduced by 40 MBF each fiscal year. Additional staff is also provided to prepare timber sales for Fiscal Year 1999 necessary to meet the Board of Natural Resources new annual sustained yield harvest level of 655 MBF. (Resource Management Cost Account, Forest Development Account)

5. Silvicultural Investments - The Governor proposes increased funding for silvicultural activities on state forest board lands. The Senate budget does not fund this item. (Resource Management Cost Account, Forest Development Account)

1997-99 Budget Department of Natural Resources

Wednesday, Mar. 26, 1997
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6. Public Use and Recreation - State trustlands are receiving increased recreation use. Funding is provided to increase the maintenance of trails and recreation sites, to monitor their use through an ongoing survey process and to hire four region volunteer coordinators to recruit, organize and supervise volunteer activities on state lands. (Forest Development Account, Off Road Vehicle Account)

7. Jobs for the Environment - Funding is provided to continue the Jobs for the Environment program in the 1997-99 biennium. Funds will be used to employ natural resource workers to complete watershed restoration projects to protect salmon and other species. (Water Quality Account, Forest Development Account, Resource Management Cost Account)

8. Photo and Map Activities - Funding is provided to replace and upgrade DNR mapping equipment, to acquire additional aerial photography, and to produce additional geographic materials for sale. The agency will also make a one time expenditure to automate the distribution of geographic materials. DNR will increase scanning and indexing of survey records obtained through cooperative agreements with counties. (Surveys and Maps Account, Resource Management Cost Account, Forest Development Account)

9. Five percent reductions - This item assumes a five percent reduction in general fund-state supported programs throughout the department, except for the fire program. In implementing this reduction, the department shall not reduce expenditures authorized in the 1997-99 biennium for fire protection and fire suppression activities.

10. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

11. Eagle Harbor Settlement - The Department of Natural Resources (DNR), the Department of Ecology and the Department of Transportation anticipate reaching a court settlement for clean-up of Eagle Harbor on Bainbridge Island. Funding is provided for DNR's costs for this settlement. (Aquatic Lands Enhancement Account)

12. Burning Permits - Funding for the burning permit and regulation program is reduced to reflect revenues to the Air Pollution Control Account. (Air Pollution Control Account).

1997-99 Budget
Department of Agriculture
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	14,746	77,826
1997-99 Maintenance Level (ERL)	13,963	76,261
Policy Changes:		
1. Retrospective Rating Refund	0	184
2. Computer Services Staffing	0	312
3. State Toxics Revenue Shortfall	0	-23
4. Asian Gypsy Moth	461	822
5. General Inflation	-94	-411
Total Policy Changes	367	884
Total 1997-99 Biennium	14,330	77,145
Difference from 1995-97	-416	-681
% Change from 1995-97	-2.8%	-0.9%

Comments:

1. Retrospective Rating Refund - The Department of Labor and Industries retrospective rating refund is appropriated to continue the Department of Agriculture (WSDA) safety program. The safety program is coordinated with the Department of Labor and Industries and includes safety training for potentially hostile or dangerous situations in the field, and the acquisition of safety equipment for field and laboratory staff. (Industrial Insurance Premium Refund Account)

2. Computer Services Staffing - Funds are provided for three computer information consultants to allow grain, food, and pesticide inspectors to rapidly track and access information on samples and inspections needed for regulatory activities and inspection services. (Agriculture Local Account, Horticultural Districts Account, Grain and Hay Inspection Revolving Account)

3. State Toxics Revenue Shortfall - A reduction in the funding level from the State Toxics Control Account is necessary due to declining revenues. The Agricultural Waste Pesticide Disposal program will be reduced. (State Toxics Control Account)

4. Asian Gypsy Moth - The Department of Agriculture recently discovered a new asian gypsy moth problem. This item provides funding to spray a 20 mile radius in the West Seattle area and continue trapping efforts to detect and prevent future problems. (General Fund-Federal)

5. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

*** International Marketing** - The Governor's budget proposes to use state general fund dollars to replace a one-time federal grant that was used in the 1995-97 biennium for the Local Trade Assistance Network. The Senate budget does not provide funding to replace the federal grant.

*** Pesticide Registration #** - The Department of Agriculture proposed legislation to increase pesticide licensing and registration fees in order to support the Pesticide Management program. Legislation authorizing the fee increase was not passed by the Senate. (Agricultural Local Account-Nonappropriated)

1997-99 Budget
Washington State Patrol
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	19,837	41,016
1997-99 Maintenance Level (ERL)	15,763	33,387
Policy Changes:		
1. Reengineer Boarding Home Inspection	-146	-146
2. Additional Crime Scene/Lab FTEs	0	430
3. Fire Training Replacement Equipment	110	110
4. Savings in Acquisition Costs	-61	-61
5. Adjustment in Support Costs	-11	-11
6. Automate Background Checks	0	254
7. Drug Task Force Grant Match	0	360
8. General Inflation	-93	-198
9. Criminal Identity Reengineering	0	1,260
10. Crime Database Redesign	0	1,476
11. Incident-based Investigation Tools	0	264
12. DSHS/Vendor Fingerprint Checks #	20	20
13. Recognize Fund Shifts	12,185	12,185
Total Policy Changes	12,004	15,943
Total 1997-99 Biennium	27,767	49,330
Difference from 1995-97	7,930	8,314
% Change from 1995-97	40.0%	20.3%

Comments:

1. Reengineer Boarding Home Inspection - Savings are generated by converting existing contracts for inspection of boarding homes into funding for two inspectors with the Fire Protection Bureau. This item also eliminates .8 FTE of a standards and accreditation position.

2. Additional Crime Scene/Lab FTEs - This item provides funding for two additional DNA databank technicians, one firearms analyst, and two investigators to support a Crime Scene Response Team. (Municipal Criminal Justice Account-State, County Criminal Justice Account-State)

3. Fire Training Replacement Equipment - Provides funding for a used snow plow, forklift, tractor/mower and miscellaneous maintenance equipment to keep the fire training academy operational.

4. Savings in Acquisition Costs - This item captures savings in the purchase of equipment.

5. Adjustment in Support Costs - This item reduces spending for publications, travel and administration.

6. Automate Background Checks - This item provides funding for a computer system that will allow the private sector to check criminal history records remotely by computer or phone for non-criminal purposes. These purposes may include pre-employment background checks and instant checks for firearm purchases. A report to the Office of Financial Management and Department of Information Services regarding implementation plans must be approved before expending this appropriation. (Fingerprint Identification Account-State)

7. Drug Task Force Grant Match - This item provides the 25 percent state match for the federal Bureau of Justice Assistance grant for narcotic enforcement efforts. (Federal Seizure Account-Federal)

1997-99 Budget Washington State Patrol

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8. General Inflation - This item eliminates funding for general inflation increases.

9. Criminal Identity Reengineering - Provides continuation funding (Type 3) for the Washington State Identification System (WASIS) reengineering project. The WASIS reengineering project is necessary to enable the automated input of Judgement and Sentence (conviction) information and other disposition information from the courts. The reengineered WASIS also will support new federal reporting requirements, new statewide telecommunication standards, and links to the Washington Crime Information Center. (General Fund-Federal)

10. Crime Database Redesign - Provides funding for construction (Type 2) for the Washington Crime Information Center (WACIC) reengineering project. The WACIC reengineering project will support several needed improvements to the state's crime hot files: electronic entry of warrants and court orders; reporting of multiple warrant and court orders; compliance with federal reporting requirements; and links to the Washington State Identification System. These improvements will save time, improve accuracy, aid investigations, and increase officer safety. (General Fund-Federal)

11. Incident-based Investigation Tools - This item provides funding for a feasibility study to develop a criminal investigation computer system. The study will report on the feasibility of developing a system that uses as its foundation incident-based reporting (IBR) consistent with FBI standards. The system will have the capability of connecting with local law enforcement jurisdictions as well as fire protection agencies conducting arson investigations. Unlike existing investigative databases at the Washington State Patrol, this system will be designed to help collect, coordinate, and analyze disparate forms and sources of information into an integrated investigatory tool. The study will report on the system requirements for incorporating case management, intelligence data, imaging and geographic information. The system will also provide links to existing crime information databases such as WASIS and WACIC. (General Fund-Federal)

12. DSHS/Vendor Fingerprint Checks # - This item provides funding and FTE authority in order to allow the State Patrol to conduct criminal history background checks on all Department of Social and Health Services (DSHS) employees who have unsupervised access to children or vulnerable adults as well as, new hires employed by contractors and licensees whose responsibilities allow unsupervised access to children or vulnerable adults. Funding for these positions is provided through an interagency reimbursement. In addition, this item funds the costs associated with performing background checks on private school employees.

13. Recognize Fund Shifts - In the 1993-95 biennium, expenditure responsibility for a portion of certain State Patrol programs and activities were transferred from operating budget to the transportation budget. For the 1997-99 biennium, this item recognizes the transfer of expenditure responsibility back to the operating budget for these programs and activities. The items involved in the transfer include: Governor's air travel; the license fraud program, the special services unit; crime laboratories; the ACCESS computer system; the identification section; the executive protection unit; and certain administrative functions.

* **Investigative Assistance Savings** - The Governor's budget eliminates funding for a forensic computer processing detective. The Senate budget does not eliminate funding for this position.

* **Property Management Savings** - In the Governor's budget, maintenance at the state Fire Training Academy is reduced by one-quarter of an FTE. The Senate budget does not make this reduction.

* **Educational Background Checks** - In the Governor's budget, this item provides \$924,000 for a greater than expected number of fingerprint-based background checks of school district employees who have regularly scheduled unsupervised access to children. The Senate budget provides funding for this item in the maintenance level. (Fingerprint Identification Account-State)

1997-99 Budget
Department of Licensing
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	8,950	31,173
1997-99 Maintenance Level (ERL)	8,495	31,493
Policy Changes:		
1. Uniform Commercial Code Reduction	0	-692
2. Master License System Pilot	0	97
3. Master License System PC Upgrades	0	77
4. Boxing/Wrestling Legislation #	43	43
5. Asset Management Coordinator	8	26
6. Engineer Compliance Officer	0	86
7. Regional Engineer Exam Reviews	0	16
8. Camera Replacement	5	5
9. Appraiser Program Law Judge	12	12
10. Engineer Licensing Information	0	13
11. General Inflation	-55	-150
12. License Suspension #	20	103
13. Engineer/Surveyor Legislation #	0	17
14. Reduce Security Guard Programs	-120	-120
15. Reduce Equipment and DP costs	-22	-22
16. Cosmetology Inspections	424	424
Total Policy Changes	315	-65
Total 1997-99 Biennium	8,810	31,428
Difference from 1995-97	-140	255
% Change from 1995-97	-1.6%	0.8%

Comments:

1. Uniform Commercial Code Reduction - This item reduces spending in order to meet available revenues. (Uniform Commercial Code-State)

2. Master License System Pilot - The item provides funding to continue and expand the use of the Master Licensing System to include city licenses. The inclusion of city licenses began as a pilot program in support of regulatory reform. (Master License Account-State)

3. Master License System PC Upgrades - This item provides funding to replace 22 personal computers and associated software. (Master License Account-State)

4. Boxing/Wrestling Legislation # - This item provides funding for the implementation of SB 5754 dealing with improving the regulation of boxing, wrestling, and other martial arts events.

5. Asset Management Coordinator - Funding is provided for an asset manager coordinator to control agency physical and software inventory. (General Fund-State, Highway Safety Fund-State, Motor Vehicle Account-State, and other professional licensing accounts)

6. Engineer Compliance Officer - This item provides funding for an additional compliance officer in order to assure compliance with disciplinary orders. (Professional Engineers Account-State)

7. Regional Engineer Exam Reviews - This item provides funding to provide examination opportunities in three locations outside of Olympia. (Professional Engineers Account-State)

1997-99 Budget
Department of Licensing

8. Camera Replacement - This item provides funding to replace three microfilm cameras used to film supporting documents as part of the vehicle and vessel licensing and titling process. (Motor Vehicle Fund-State, General Fund-State)

9. Appraiser Program Law Judge - Funds an additional administrative law judge to address increasing violations of the Real Estate Appraiser Act.

10. Engineer Licensing Information - This item provides funding for presenting professional engineer and land surveyor licensing and regulatory information on the World Wide Web. (Professional Engineers Account-State)

11. General Inflation - This item eliminates funding for general inflation increases.

12. License Suspension # - The Personal Responsibility and Work Opportunity Act of 1996 (federal welfare legislation) requires states to have laws providing for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. This item includes funding for the additional workload associated with the license suspension. (General Fund-State, Architects' License Account-State, Master License Account-State, Professional Engineers Account-State, Real Estate Commission Account-State, and Funeral Directors and Embalmers Account-State)

13. Engineer/Surveyor Legislation # - Provides funding for "pro tem" or temporary board members to serve on committees or formal disciplinary hearing panels, printing of pamphlets, letters and other publications and attorney general support for amending existing rules pursuant to HB 1285. (Professional Engineers-State)

14. Reduce Security Guard Programs - Reduces funding level to match licensure revenues.

15. Reduce Equipment and DP costs - Expenditures are reduced for data processing costs, out-of-state travel, and equipment.

16. Cosmetology Inspections - This funds costs associated with the implementation of SB 5997. The legislation requires the Department of Licensing to conduct additional inspections of schools, and salons or shops of the cosmetology, barbering, esthetics and manicuring professions. The Governor's budget does not include this item.

1997-99 Budget
Public Schools
OSPI & Statewide Programs
(Dollars in Thousands)

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	56,826	105,374
1997-99 Maintenance Level (ERL)	37,771	95,501
Policy Changes:		
1. K-12 Technology	0	29,312
2. OSPI Information System Support	500	500
3. Teen Aware Fund Shift	400	0
4. Truancy Board Funding	-2,000	-2,000
5. School Audit Resolution #	100	100
6. Eliminate Complex Needs	-4,370	-4,370
7. Eliminate Magnet Schools	-3,093	-3,093
8. 3rd Grade Reading Act	617	617
9. Charter Schools	5,194	5,194
10. Federal Goals 2000 Prohibition	0	-680
11. Geographic Alliance	50	50
12. Instructional Materials	19,977	19,977
Total Policy Changes	17,375	45,607
Total 1997-99 Biennium	55,146	141,108
Difference from 1995-97	-1,680	35,734
% Change from 1995-97	-3.0%	33.9%

Comments:

1. K-12 Technology - The Governor's budget provides funding for matching grants to school districts to purchase technology equipment and develop infrastructure in order to use the K-20 telecommunications network. Priority is given to districts demonstrating the greatest financial and technological need. Funding and one FTE staff are provided to the Office of Superintendent of Public Instruction (OSPI) for technical staff to support development of the K-20 network.

The Senate budget provides funding for technology matching grants from the Educations Savings Account. One FTE is provided for technical staff to support development of the K-20 network. The matching grants shall be awarded on a competitive basis to school districts with applications showing the greatest potential educational benefits.

2. OSPI Information System Support - Additional money is provided to OSPI to enhance information processing. Funding will allow OSPI to maintain a public database of school information, replace paper reports and publications with electronic media, enhance electronic data collection and distribution systems, and communicate more effectively with schools and the public.

3. Teen Aware Fund Shift - Funding for teen aware is changed from the Health Services Account to General Fund-State.

4. Truancy Board Funding - Both the Governor's budget and the Senate budget eliminate funding for Truancy boards. Truancy boards were established under the Becca bills of 1995 and 1996. They were intended to divert students from the court process. According to the Superintendent of Public Instruction these boards duplicate the efforts of schools and the courts. Duplication occurs because schools work with students and parents to identify an educational plan, and students who do not comply still go through the court process.

5. School Audit Resolution # - One-half of a full-time equivalent staff is provided to OSPI to increase support for a new school district audit resolution process required by SB 5394.

1997-99 Budget
Public Schools
OSPI & Statewide Programs

6. Eliminate Complex Needs - The Senate budget eliminates the Complex Needs program which allocates funds to 17 school districts based on 1991-93 data showing relatively high percentages of students from low income families, students with disabilities and non-english speaking students with numerous different foreign languages.

7. Eliminate Magnet Schools - The Senate budget eliminates the magnet school program which provides grants to five school districts for programs designed to encourage racial integration of schools through voluntary transfers.

8. 3rd Grade Reading Act - The Senate budget provides funding to implement 2nd SSB 5508 which creates the 3rd Grade Reading Accountability Act. The funds are to pay for the standardized norm-referenced 3rd grade test required by the bill and additional administrative costs of the Superintendent of Public Instruction.

9. Charter Schools - The Senate budget provides funding to implement Charter Schools legislation for the 1997-99 biennium.

10. Federal Goals 2000 Prohibition - The Senate budget prohibits the Superintendent of Public Instruction from accepting, allocating or expending federal funds to implement the federal goals 2000 program.

11. Geographic Alliance - The Senate budget provides \$50,000 to continue a project located at Green River Community College to improve teaching of geography in schools.

12. Instructional Materials - Funds are allocated for the 1998-99 school year at a rate of \$20.82 per student for purchase of instructional materials such as books, software and other technology related investments. The specific expenditure of the funds is to be determined at each school site and school districts are required to allocate all the funds to school buildings. This is expected to provide \$458 per average size classroom.

* **Federal Reform Grant Increase** - In the Governor's budget, Federal Goals 2000 funding increases from the current budgeted level of \$6.5 million per year to \$7.7 million in Fiscal Year 1998 and \$8.5 million in Fiscal Year 1999. The amount provided to OSPI for coordination of federal reform is increased from \$250,000 per year to \$340,000 per year. The remainder of the federal money is budgeted in the Education Reform program. The Senate budget prohibits the Superintendent of Public Instruction from accepting, allocating, or expending these federal funds.

* **Primary Intervention Program** - The Governor's budget moves funding for the Primary Intervention Program (PIP) from the Department of Social and Health Services (DSHS) Mental Health Division to the K-12 budget. This program serves elementary school children who have mental health problems or are the victims of abuse, neglect, or other family hardships. Funding for PIP was provided through DSHS in the 1993-95 Biennium, discontinued in Fiscal Year 1996, and then restored in Fiscal Year 1997. This program is not included in the Senate budget.

* **Education Support-Native Americans** - The Governor's budget provides funding for educational services to Native American children in the King County area. This item is not included in the Senate budget.

* **License Suspension #** - The Governor's WorkFirst welfare reform proposal provides for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances when child support is not paid. Funding is provided to OSPI for the additional workload associated with the suspension of professional certificates of school employees. The Senate budget assumes this workload increase can be absorbed within the existing budget.

* **VRDE Account Shortfall** - The Governor's budget reduces funding for school security grants due to a shortfall in the Violence Reduction and Drug Enforcement Account. The reduction is prorated across the participants of the fund. Grants are used primarily to hire security guards in middle and high schools. The Senate budget does not make these reductions.

* **Alternative Education Programs** - The Governor's budget provides funding for start-up grants for alternative programs designed to serve at-risk students.

1997-99 Budget
Public Schools
OSPI & Statewide Programs

* **Performance Funding Study** - The Governor's budget provides funding for a study of possible changes to state funding formulas to increase school district accountability for student performance. This item is not included in the Senate budget.

* **General Inflation** - The Governor's budget and the Senate budget do not fund inflation for non-basic education programs. The Governor's budget shows a negative in the policy budget because inflation was included in the maintenance level budget.

1997-99 Budget
Public Schools
General Apportionment
(Dollars in Thousands)

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	6,428,005	6,428,005
1997-99 Maintenance Level (ERL)	6,954,838	6,954,838
Policy Changes:		
1. Mix Factor Averaging #	-11,522	-11,522
2. School Audit Resolution #	-2,500	-2,500
3. 4th Grade Class Size	25,310	25,310
Total Policy Changes	11,288	11,288
Total 1997-99 Biennium	6,966,126	6,966,126
Difference from 1995-97	538,121	538,121
% Change from 1995-97	8.4%	8.4%

Comments:

1. Mix Factor Averaging # - SB 5395 changes the manner in which average salaries are calculated for state funding of the apportionment and special education programs. Currently, some school districts are being overfunded and some underfunded for their special education program salary costs. This occurs because the average salaries of both programs are not the same but funding in both programs is dependent on the apportionment salary.

Overfunding occurs when a district's average salary of certificated instructional staff in the apportionment program is greater than that of the special education program. Underfunding occurs when the average salary in the special education program exceeds the apportionment program. SB 5395 combines the staff of the two programs to calculate the average salary and eliminates the problem.

2. School Audit Resolution # - SB 5395 strengthens the procedures of the Superintendent of Public Instruction for recovering state money from schools pursuant to audit findings by the Washington State Auditor. Savings are assumed from increased audit recoveries and more cautious school district reporting of student enrollments and staff mix factors.

3. 4th Grade Class Size - The Senate budget reduces class size for the 4th grade. The current basic education formula provides in grades K-3, 1 certificated instructional staff per 18.4 students, and for grades 4-12, 1 staff per 21.7 students. This proposal increases 4th grade staffing from 1 per 21.7 students, to 1 per 20 students.

1997-99 Budget
Public Schools
Pupil Transportation
(Dollars in Thousands)

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	328,753	328,753
1997-99 Maintenance Level (ERL)	353,904	353,904
Total 1997-99 Biennium	353,904	353,904
Difference from 1995-97	25,151	25,151
% Change from 1995-97	7.7%	7.7%

Comments:

1997-99 Budget
Public Schools
School Food Services
(Dollars in Thousands)

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	6,000	271,176
1997-99 Maintenance Level (ERL)	6,000	282,040
Policy Changes:		
1. Summer Food Program	150	150
2. Federal Day Care Home Food	0	-17,000
Total Policy Changes	150	-16,850
Total 1997-99 Biennium	6,150	265,190
Difference from 1995-97	150	-5,986
% Change from 1995-97	2.5%	-2.2%

Comments:

1. Summer Food Program - This item provides state funding to replace a portion of lost federal funding for summer food programs for children who live in low-income areas.

2. Federal Day Care Home Food - The federal welfare reform legislation restricts eligibility for food subsidies for home day care providers. This is a reduction in federal non-appropriated federal funds.

1997-99 Budget
Public Schools
Special Education
(Dollars in Thousands)

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	747,920	846,604
1997-99 Maintenance Level (ERL)	749,544	884,650
Policy Changes:		
1. Mix Factor Averaging #	-1,196	-1,196
2. School Audit Resolution #	-2,500	-2,500
3. ESD Special Ed. Coordinators	-1,735	-1,735
Total Policy Changes	-5,431	-5,431
Total 1997-99 Biennium	744,113	879,219
Difference from 1995-97	-3,807	32,615
% Change from 1995-97	-0.5%	3.9%

Comments:

1. Mix Factor Averaging # - SB 5395 changes the manner in which average salaries are calculated for state funding of the apportionment and special education programs. Currently, some school districts are being overfunded and some underfunded for their special education program salary costs. This occurs because the average salaries of both programs are not the same but funding in both programs is dependent on the apportionment salary.

Overfunding occurs when a district's average salary of certificated instructional staff in the apportionment program is greater than that of the special education program. Underfunding occurs when the average salary in the special education program exceeds the apportionment program. SB 5395 combines the staff of the two programs to calculate the average salary and eliminates the problem.

2. School Audit Resolution # - SB 5394 strengthens the procedures at the Office of the Superintendent of Public Instruction for recovering state money from schools pursuant to audits by the Washington State Auditor's Office. Savings are assumed from increased audit recoveries and more cautious school district reporting of student enrollment and staff mix factors.

3. ESD Special Ed. Coordinators - The Senate budget eliminates state funding for special education coordinators housed at each of the Educational Service Districts. The function of these coordinators has been to assist school districts with the following: state reports and applications for state and federal funds; local special education cooperatives; employment of special education staff; etc.

The majority of Educational Service district funding comes from services purchased by school districts. Services provided by special education coordinators could be maintained through charges to school districts. Funds to pay these charges are expected to be available from federal funds increases to school districts. The source of the federal fund increases to school districts is due to:

- (1) Increases in federal funding for special education of approximately \$14.7 million per year; and
- (2) A Senate budget proviso which requires the Superintendent of Public Instruction to reduce the amount of federal funds retained for agency administrative costs and increase the flow-through of federal funds to school districts by an additional 4 percent. This is expected to increase federal funds allocated to school districts by at least \$2.6 million per year.

1997-99 Budget
Public Schools
Traffic Safety Education
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	0	16,928
1997-99 Maintenance Level (ERL)	0	17,179
Total 1997-99 Biennium	0	17,179
Difference from 1995-97	0	251
% Change from 1995-97	0.0%	1.5%

Comments:

* **General Inflation** - The Governor's budget and the Senate budget do not fund inflation for non-basic education programs. The Governor's budget shows a negative in the policy budget because inflation was included in the maintenance level budget.

1997-99 Budget
Public Schools
Educational Service Districts
(Dollars in Thousands)

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	8,901	8,901
1997-99 Maintenance Level (ERL)	8,746	8,746
Policy Changes:		
1. Student Teacher Centers	275	275
Total Policy Changes	275	275
Total 1997-99 Biennium	9,021	9,021
Difference from 1995-97	120	120
% Change from 1995-97	1.3%	1.3%

Comments:

1. Student Teacher Centers - The Senate budget increases funding for Student Teacher Centers. These centers were established in 1991 to give rural districts the opportunity to host, mentor and recruit student teachers. Funding for this program has been reduced in each biennium since their inception going from \$500,000 to the current \$225,000. This proposal restores the funding level to \$500,000.

* **General Inflation** - The Governor's budget and the Senate budget do not fund inflation for non-basic education programs. The Governor's budget shows a negative in the policy budget because inflation was included in the maintenance level budget.

1997-99 Budget
Public Schools
Levy Equalization
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	159,677	159,677
1997-99 Maintenance Level (ERL)	171,545	171,545
Total 1997-99 Biennium	171,545	171,545
Difference from 1995-97	11,868	11,868
% Change from 1995-97	7.4%	7.4%

Comments:

* **Increase Levy Equalization #** - The Governor's budget provides funding to increase levy equalization from 10 percent of the levy base to 11 percent in calendar year 1998 and to 12 percent in calendar year 1999 and thereafter. This item is not included in the Senate budget.

1997-99 Budget
Public Schools
Elementary/Secondary School Improv
(Dollars in Thousands)

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	0	222,376
1997-99 Maintenance Level (ERL)	0	255,987
Total 1997-99 Biennium	0	255,987
Difference from 1995-97	0	33,611
% Change from 1995-97	0.0%	15.1%

Comments:

1997-99 Budget
Public Schools
Institutional Education
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	33,726	42,274
1997-99 Maintenance Level (ERL)	36,261	44,809
Policy Changes:		
1. Juvenile Justice Act Revisions	1,197	1,197
Total Policy Changes	1,197	1,197
Total 1997-99 Biennium	37,458	46,006
Difference from 1995-97	3,732	3,732
% Change from 1995-97	11.1%	8.8%

Comments:

1. Juvenile Justice Act Revisions - The Senate budget provides funds to implement House Bill 3900, (Juvenile Code Revisions), which increases the number of juvenile offenders adjudicated as adults. This is expected to increase the number of juvenile offenders in County Detention Centers by 101 juveniles in 1997-99. There will also be a change in the number of juveniles in state delinquent institutions resulting in an increase of 37 juveniles in 1997-98 and a decrease of 41 in 1998-99. For the 1999-01 biennium, there will be an estimated net decrease of 160 juveniles per year. The fiscal impact shown is for the educational cost of these juveniles while in the institutions.

1997-99 Budget
Public Schools
Ed of Highly Capable Students
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	8,454	8,454
1997-99 Maintenance Level (ERL)	8,966	8,966
Total 1997-99 Biennium	8,966	8,966
Difference from 1995-97	512	512
% Change from 1995-97	6.1%	6.1%

Comments:

* **General Inflation** - The Governor's budget and the Senate budget do not fund inflation for non-basic education programs. The Governor's budget shows a negative in the policy budget because inflation was included in the maintenance level budget.

**1997-99 Budget
Public Schools
Education Reform**
(Dollars in Thousands)

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	35,966	48,699
1997-99 Maintenance Level (ERL)	56,713	69,446
Policy Changes:		
1. Change Assessment Timeline #	-11,000	-11,000
2. School-To-Work	-2,970	-2,970
3. Superintendent/Principal internship	-1,620	-1,620
4. Federal Goals 2000 Prohibition	800	-11,700
Total Policy Changes	-14,790	-27,290
Total 1997-99 Biennium	41,923	42,156
Difference from 1995-97	5,957	-6,543
% Change from 1995-97	16.6%	-13.4%

Comments:

1. Change Assessment Timeline # - Both the Governor's budget and the Senate budget for the Commission on Student Learning are based on legislation that changes the timelines for development of assessments for various subject matters. The proposed budgets implement the Goal 1 and math assessments for the 4th, 7th, and 10th grade levels as currently planned. The 4th grade assessments are currently available, the 7th grade assessments will be available to districts in the 1997-98 school year, and the 10th grade assessments will be available in the 1998-99 school year.

Test specifications for all grade levels of the science assessments are to be developed in 1997-98. The science assessments for the middle and high school levels will be implemented as currently planned and available to districts by the 1998-99 school year. The elementary-level science assessment will be piloted and implemented after the 1997-99 biennium.

The difference between the Governor's budget and the Senate budget concern the timeline for development of test specifications for all grade levels of the social studies, arts, and health and fitness. Under the Senate budget, test levels will be developed in 1998-99, and the assessments will be available to school districts after the 1997-99 biennium; a 2-3 year delay, and ultimately dependent on the 1999-2001 biennium budget. The Governor's budget has less of a delay.

2. School-To-Work - The Senate budget eliminates specific funding for this program and transfers the funds to the block grant program, providing local control and flexibility regarding continuation of this program. In the three years that the grants were available, more than 100 school districts received grants.

3. Superintendent/Principal internship - The Senate budget eliminates specific funding for this program and transfers the funds to the block grant program, providing local control and flexibility regarding continuation of this program. The purpose of this program was to provide funds for release time for staff to receive training to become future administrators.

4. Federal Goals 2000 Prohibition - The Senate budget prohibits the Superintendent of Public Instruction from accepting, allocating or expending Federal Goals 2000 funds. In 1995-97, \$800,000 of these funds were used to fund part of the assessments under development by the Commission on Student Learning. The unavailability of the federal funds requires replacement of the funds with state funds. The \$12.5 million reduction in federal funds reflects grants to school districts which would not be allowed.

*** Federal Reform Grant Increase** - The Governor's budget utilizes Federal Goals 2000 funds to aid the state in the development of the assessments by the Commission on Student Learning. The Senate budget prohibits the Superintendent of Public Instruction from accepting, allocating or expending these federal funds.

1997-99 Budget
Public Schools
Education Reform

* **Reading Improvement** - The Governor proposes a three-part reading improvement program providing funding for reading specialists, specialized teacher training in teaching and assessing reading, and for competitive grants for schools. This item is not included in the Senate budget.

* **General Inflation** - The Governor's budget and the Senate budget do not fund inflation for non-basic education programs. The Governor's budget shows a negative in the policy budget because inflation was included in the maintenance level budget.

1997-99 Budget
Public Schools
Federal Encumbrances
(Dollars in Thousands)

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	0	51,216
1997-99 Maintenance Level (ERL)	0	0
Total 1997-99 Biennium	0	0
Difference from 1995-97	0	-51,216
% Change from 1995-97	0.0%	-100.0%

Comments:

1997-99 Budget
Public Schools
Transitional Bilingual Instruction
(Dollars in Thousands)

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	54,810	54,810
1997-99 Maintenance Level (ERL)	65,198	65,198
Policy Changes:		
1. Bilingual Enrollment	-638	-638
2. New Bilingual Formula	71	71
Total Policy Changes	-567	-567
Total 1997-99 Biennium	64,631	64,631
Difference from 1995-97	9,821	9,821
% Change from 1995-97	17.9%	17.9%

Comments:

1. Bilingual Enrollment - The Senate budget defines a bilingual student eligible for funding as one who is enrolled in grades Kindergarten through 12 and receiving instruction in accordance with state bilingual laws. In the 1996-97 school year there are approximately 600 students submitted for funding which do not meet these criteria.

2. New Bilingual Formula - Beginning with the 1998-99 school year, the Senate budget replaces the current dollar per student funding formula with a weighted formula based on time in program and grade level of students. The new formula has a sliding scale for time in program and is based on testimony that students require greater resources in the first year of bilingual instruction and less in subsequent years as they become integrated in the regular school program. The new formula also provides more funds for students in grades 8-12, and less for student in grades K-4. This is based on testimony that older students arriving in this country present the greatest educational challenge.

1997-99 Budget
Public Schools
Learning Assistance Program (LAP)
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	114,627	114,627
1997-99 Maintenance Level (ERL)	121,171	121,171
Total 1997-99 Biennium	121,171	121,171
Difference from 1995-97	6,544	6,544
% Change from 1995-97	5.7%	5.7%

Comments:

* **LAP Formula** - In 1996-97 School year, state Learning Assistance Program funds were in the following percentages: 92 percent based on the number of students scoring in the lowest quartile on the 4th and 8th grade tests; and 8 percent to districts with above average poverty as reflected in the percentage of students eligible for free and reduced price lunch.

The Governor's budget proposes to allocate the funds as follows: For 1997-98, 80 percent of the funds based on test results, and 20 percent to districts with above average poverty; and for 1998-99, 70 percent based on test results, and 30 percent based on poverty.

The Senate budget does not change the funding formula.

1997-99 Budget
Public Schools
Block Grants
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	114,969	114,969
1997-99 Maintenance Level (ERL)	49,847	49,847
Policy Changes:		
1. Student Learning Improvement Grants	40,841	40,841
2. Block Grant Rate	6,090	6,090
Total Policy Changes	46,931	46,931
Total 1997-99 Biennium	96,778	96,778
Difference from 1995-97	-18,191	-18,191
% Change from 1995-97	-15.8%	-15.8%

Comments:

1. Student Learning Improvement Grants - The Governor's budget continues student learning improvement grants at the current rate of \$36.39 per student each school year. Use of the grants is focused on improving teaching and assessment of reading, writing, communication and mathematics.

The Senate budget provides \$30 per K-4 student, \$24 per student in grades 5-7, and \$18 per student for grades 8-12. The Senate allocations also focus on reading, writing, communication and mathematics in accordance with the timelines specified in SHB 1777. These subject matters constitute about 80 percent of the instruction taking place in grades K-4, about 60 percent in grades 5-7, and about 40 percent in grades 8-12. This requires greater resources in the early grades and less in the upper grades.

2. Block Grant Rate - The Senate budget increases the block grant rate from the current \$26.30 per student to \$29.86 per student. Part of the increase stems from a transfer of \$3.6 million from two discontinued programs, School-to-Work, and Superintendent/Principal Internship programs.

* **General Inflation** - The Governor's budget and the Senate budget do not fund inflation for non-basic education programs. The Governor's budget shows a negative in the policy budget because inflation was included in the maintenance level budget.

1997-99 Budget
Public Schools
Compensation Adjustments
(Dollars in Thousands)

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	218,964	218,964
1997-99 Maintenance Level (ERL)	0	0
Policy Changes:		
1. K-12 Salary COLA	177,176	177,176
2. Health Benefit Rate Adjustments	24,479	24,479
Total Policy Changes	201,655	201,655
Total 1997-99 Biennium	201,655	201,655
Difference from 1995-97	-17,309	-17,309
% Change from 1995-97	-7.9%	-7.9%

Comments:

1. K-12 Salary COLA - The Governor provides a 2.5 percent salary cost of living adjustment for all state formula-funded school district staff effective September 1, 1997 and an additional 2.5 percent increase effective September 1, 1998. The Senate budget provides a 3.0 percent increase effective September 1, 1997.

2. Health Benefit Rate Adjustments - The Governor's recommended health benefit rates are based on estimated increases in medical inflation of 7 percent in calendar year 1998 and 4.6 percent in calendar year 1999. The Senate budget is based on medical inflation rates of 4.4 percent and 4.6 percent and increases the current health benefit rate from \$314.51 per month to \$321.83 for 1997-98 and \$336.05 for 1998-99.

1997-99 Budget
Higher Education Coordinating Board
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	152,073	162,288
1997-99 Maintenance Level (ERL)	156,206	165,254
Policy Changes:		
1. K-20 Technology Network	127	127
2. Health Benefits Increase	16	16
3. General Inflation	-32	-32
4. State Need Grant	18,154	18,154
5. EOG	500	500
6. Financial Aid Policy Study	50	50
7. Washington Scholars	967	967
8. Award for Vocational Excellence	232	232
9. Prepaid Tuition #	350	350
10. Capital Planning Oversight	1,000	1,000
11. Western Interstate Commission	5	5
12. Work Study	0	5,842
13. Balance Health Services Account	2,236	0
Total Policy Changes	23,605	27,211
Total 1997-99 Biennium	179,811	192,465
Difference from 1995-97	27,738	30,177
% Change from 1995-97	18.2%	18.6%

Comments:

1. K-20 Technology Network - Funding is provided for 1.0 FTE staff to carry out duties related to technical and budget planning for the K-20 Network.

2. Health Benefits Increase - The Senate budget provides an additional appropriation for health benefits to increase rates for medical inflation of 4.4% for calendar year 1998 and 4.6% for calendar year 1999. The rates assumed are \$321.83 for Fiscal Year 1998 and \$336.05 for Fiscal Year 1999.

3. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

4. State Need Grant - The Senate budget provides state financial aid at a level which equals 30% of new tuition revenue. This calculation has not been applied to the UW non-resident undergraduate tuition increase since non-resident students are not eligible for the State Need Grant.

5. EOG - Additional funding for the Equal Opportunity Grant allows Community College graduates to continue their academic career at four year institutions.

6. Financial Aid Policy Study - Funding is provided for a study to determine how the state's financial aid programs can better address the characteristics of the student population.

7. Washington Scholars - Funding is provided for Chapter 5, Laws of 1995, 1st special session, tuition and fee grants for recipients of the Washington Scholars Award.

8. Award for Vocational Excellence - Funding is provided for Chapter 7, Laws of 1995, 1st special session, tuition and fee grants to recipients of the Washington Award for Vocational Excellence.

1997-99 Budget
Higher Education Coordinating Board

Wednesday, Mar. 26, 1997
4:22 pm

9. Prepaid Tuition # - Funding is provided for start up costs of a new Prepaid College Tuition Payment program. This program is designed to encourage savings and enhance ability of Washington Citizens to obtain financial access to institutions of higher education.

10. Capital Planning Oversight - Funding is provided from the General Fund for operational oversight of higher education capital projects. \$50,000 is earmarked for a study of the educational needs in Omak/Okanogan County. The operational funds replace bonded expenditures proposed in the Governor's capital budget.

11. Western Interstate Commission - Funding is provide for increased membership dues to Western Interstate Commission for Higher Education (WICHE).

12. Work Study - Additional funding is provided through the federal work study program. This funding was provided by the 1996 federal budget.

13. Balance Health Services Account - State General Fund resources are provided to replace the Health Services Account funding related to the Health Professional Loan Repayment and Scholarship Program.

* **Disabled Student Services** - Funding is provided to create a central pool of funds for services to disabled students from which public institutions can draw for high cost accommodation needs. Funds will be distributed based on need and criteria established by the Board.

1997-99 Budget
University of Washington
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	526,997	2,353,048
1997-99 Maintenance Level (ERL)	541,888	2,405,512
Policy Changes:		
1. Hospital Inflation	0	6,113
2. Health Benefits Increase	1,910	1,936
3. General Inflation	-4,999	-4,999
4. Enrollment	11,466	16,741
5. Faculty Retention	4,300	4,300
6. Environmental Health Programs	0	980
7. State Toxicology Lab	0	12
8. Graduate Assistant Health Benefits	2,909	0
9. Senior Dental Health Program	300	300
10. Olympic Natural Resource Center	150	150
11. Primary Care Training	3,343	0
12. Salary Increase	16,644	16,840
13. Tuition Rate Increase	0	12,675
Total Policy Changes	36,023	55,048
Total 1997-99 Biennium	577,911	2,460,560
Difference from 1995-97	50,914	107,512
% Change from 1995-97	9.7%	4.6%

Comments:

1. Hospital Inflation - Additional dollars fund anticipated hospital cost inflation at the University of Washington Medical Center and Harborview Hospital. (Nonappropriated University Hospital Account)

2. Health Benefits Increase - The Senate budget provides an additional appropriation for health benefits to increase rates for medical inflation of 4.4% for calendar year 1998 and 4.6% for calendar year 1999. The rates assumed are \$321.83 for Fiscal Year 1998 and \$336.05 for Fiscal Year 1999.

3. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

4. Enrollment - Additional funds provide 288 new full-time equivalent student enrollments (FTEs) in the 1998 and 151 additional FTEs in 1999 at the Seattle main campus; 81 FTEs for the Bothell campus in 1998 and 175 FTEs in 1999; 104 FTEs for the Tacoma campus in 1998 and 147 in 1999. (General Fund-State, Nonappropriated Institutional Operating Fees Account) Funding is provided for the requested undergraduate/graduate ratio. Funding for the undergraduates at the branch campuses is provided at the upper division cost.

5. Faculty Retention - Funding is provided for competitive salary offers for outstanding faculty instructors.

6. Environmental Health Programs - Additional funds provided to the University's Department of Environmental Health promotes agricultural safety, policy analysis and program evaluation, interns placed with the Department of Labor and Industries, outreach to elementary and secondary schools about workplace safety in collaboration with the state efforts on the federal School To Work grant, and research support in occupational epidemiology and biostatistics. (Accident Account-State, Medical Aid Account-State)

**1997-99 Budget
University of Washington**

7. State Toxicology Lab - Additional funds provide forensic toxicology services to meet the increasing demand for driver drug testing. (Death Investigations Account-State)

8. Graduate Assistant Health Benefits - The cost of health benefits for graduate student teaching assistants and research assistants which had been funded from the Health Services Account is transferred to the General Fund. The Governor replaces funding for graduate student benefits but does not reinstate funding for primary care. See Primary Care Training item below.

9. Senior Dental Health Program - Funding for the School of Dentistry's senior dental extern program, dental hygiene degree completion program, and graduate pediatric dental program to serve rural and underserved children.

10. Olympic Natural Resource Center - Funds are provided to increase the research capabilities of the Center.

11. Primary Care Training - Funding for training of primary care physicians and other primary care providers is transferred from the Health Services Account to the General Fund.

12. Salary Increase - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997. (General Fund-State, Death Investigations Account-State, Accident Account-State, Medical Aid Account-State)

13. Tuition Rate Increase - SB 5927 authorizes 4% tuition rate increases in each year. In addition to the base level rate increase, an increase of 4.3% each year for nonresident undergraduates is provided in SB 5927 as well as increases related to new tuition categories for Law and MBA students. Use of funds are discretionary to improve instructional quality and may be used to implement authorized salary increases.

* **COP Library Project** - On behalf of the six public four-year higher education institutions, additional funding provides to the University of Washington the four-year institutions' part of phase three of the integrated library network coordinated by the Council of Presidents.

* **Faculty Retention Pool** - Additional funds provide the University of Washington the dollars with which to make competitive faculty salary offers to help preserve instructional and research quality.

* **Instructional Efficiency** - 2% of the institution's non-instructional general fund is held in reserve pending certification by the HECB that the school has met standards of accountability set by the board.

* **Health Services Account Reduction** - Funding for graduate student health benefits and training for primary care workers from the Health Services Account is eliminated. Funding for primary care workers will be required through current General Fund resources.

1997-99 Budget
Washington State University
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	309,713	691,962
1997-99 Maintenance Level (ERL)	323,233	713,547
Policy Changes:		
1. Health Benefits Increase	1,095	1,095
2. General Inflation	-1,790	-1,793
3. Enrollment	7,240	10,987
4. Air Pollution Control Adjustment	0	-4
5. Faculty Retention	2,100	2,100
6. Graduate Assistant Health Benefits	1,400	0
7. Tuition Rate Increase	0	7,064
8. Salary Increase	9,893	9,893
Total Policy Changes	19,938	29,342
Total 1997-99 Biennium	343,171	742,889
Difference from 1995-97	33,458	50,927
% Change from 1995-97	10.8%	7.4%

Comments:

1. Health Benefits Increase - The Senate budget provides an additional appropriation for health benefits to increase rates for medical inflation of 4.4% for calendar year 1998 and 4.6% for calendar year 1999. The rates assumed are \$321.83 for Fiscal Year 1998 and \$336.05 for Fiscal Year 1999.

2. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

3. Enrollment - Additional funds provide 766 new full-time equivalent student enrollments (FTEs) in the 1997-99 Biennium. The recommendation includes 336 FTEs for the Pullman campus, 80 FTEs for the Spokane campus, 140 FTEs for the Tri Cities campus, and 210 FTEs for the Vancouver campus. (General Fund-State, Nonappropriated Institutional Operating Fees Account) Enrollments are funded at the HECB cost of instruction. Undergraduate students at the branch campuses are funded at the upper division rate.

4. Air Pollution Control Adjustment - This funding reduction facilitates balancing fund revenues with expenditures. (Air Pollution Control Account-State)

5. Faculty Retention - Funding is provided for competitive salary offers for outstanding faculty instructors.

6. Graduate Assistant Health Benefits - The cost of health benefits for graduate student teaching assistants and research assistants which had been funded from the Health Services Account is transferred to the General Fund.

7. Tuition Rate Increase - SB 5927 authorizes tuition rate increases of 4% in each year. Use of funds are discretionary to improve instructional quality and may be used to implement authorized salary increases.

8. Salary Increase - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997.

* **Instructional Efficiency** - 2% of the institution's non-instructional general fund is held in reserve pending certification by the HECB that the school has met standards of accountability set by the board.

1997-99 Budget
Eastern Washington University
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	75,744	143,119
1997-99 Maintenance Level (ERL)	76,402	139,448
Policy Changes:		
1. Health Benefits Increase	300	300
2. General Inflation	-677	-750
3. Graduate Assistant Health Benefits	200	0
4. Salary Increase	2,418	2,418
5. Tuition Rate Increase	0	2,132
Total Policy Changes	2,241	4,100
Total 1997-99 Biennium	78,643	143,548
Difference from 1995-97	2,899	429
% Change from 1995-97	3.8%	0.3%

Comments:

1. Health Benefits Increase - The Senate budget provides an additional appropriation for health benefits to increase rates for medical inflation of 4.4% for calendar year 1998 and 4.6% for calendar year 1999. The rates assumed are \$321.83 for Fiscal Year 1998 and \$336.05 for Fiscal Year 1999.

2. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

3. Graduate Assistant Health Benefits - Funding for graduate student health benefits from the Health Services Account is transferred to the General Fund.

4. Salary Increase - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997.

5. Tuition Rate Increase - This item reflects increased tuition revenue resulting from a tuition rate increase of 4% in 1998 and an additional 4% in 1999. Use of funds are discretionary to improve instructional quality and may be used to implement authorized salary increases.

*** Instructional Efficiency** - 2% of the institution's non-instructional general fund is held in reserve pending certification by the HECB that the school has met standards of accountability set by the board.

1997-99 Budget
Central Washington University
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	69,886	123,790
1997-99 Maintenance Level (ERL)	72,112	134,188
Policy Changes:		
1. Health Benefits Increase	295	295
2. General Inflation	-334	-334
3. Enrollment	1,474	2,202
4. Graduate Assistant Health Benefits	140	0
5. Salary Increase	2,284	2,284
6. Tuition Rate Increase	0	1,865
Total Policy Changes	3,859	6,312
Total 1997-99 Biennium	75,971	140,500
Difference from 1995-97	6,085	16,710
% Change from 1995-97	8.7%	13.5%

Comments:

1. Health Benefits Increase - The Senate budget provides an additional appropriation for health benefits to increase rates for medical inflation of 4.4% for calendar year 1998 and 4.6% for calendar year 1999. The rates assumed are \$321.83 for Fiscal Year 1998 and \$336.05 for Fiscal Year 1999.

2. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

3. Enrollment - Funds are provided for an additional 108 FTE students in Fiscal Year 1998 and 108 FTE students in Fiscal Year 1999. (General Fund-State, Institution Tuition Account)

4. Graduate Assistant Health Benefits - Funding for graduate student health benefits from the Health Services Account is transferred to the General Fund.

5. Salary Increase - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997.

6. Tuition Rate Increase - Tuition rate increases of 4% are authorized for 1998 and 1999. Revenues may be used for general instructional enhancements or faculty and professional salary increases as authorized by the legislature.

* **Instructional Efficiency** - 2% of the institution's non-instructional general fund is held in reserve pending certification by the HECB that the school has met standards of accountability set by the board.

1997-99 Budget
The Evergreen State College
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	37,761	66,335
1997-99 Maintenance Level (ERL)	38,731	68,110
Policy Changes:		
1. Health Benefits Increase	172	172
2. General Inflation	-464	-464
3. Enrollment	523	1,056
4. Tuition Rate Increase	0	1,349
5. Salary Increase	1,314	1,314
Total Policy Changes	1,545	3,427
Total 1997-99 Biennium	40,276	71,537
Difference from 1995-97	2,515	5,202
% Change from 1995-97	6.7%	7.8%

Comments:

1. Health Benefits Increase - The Senate budget provides an additional appropriation for health benefits to increase rates for medical inflation of 4.4% for calendar year 1998 and 4.6% for calendar year 1999. The rates assumed are \$321.83 for Fiscal Year 1998 and \$336.05 for Fiscal Year 1999.

2. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

3. Enrollment - Funds are provided for an additional 51 FTE students each in fiscal year of the 1997-99 biennium. (General Fund-State, Institution Tuition Account)

4. Tuition Rate Increase - SB 5927 authorizes tuition rate increases of 4% in each year. Use of funds are discretionary to improve instructional quality and may be used to implement authorized salary increases.

5. Salary Increase - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997.

*** Instructional Efficiency** - 2% of the institution's non-instructional general fund is held in reserve pending certification by the HECB that the school has met standards of accountability set by the board.

1997-99 Budget
Joint Center for Higher Education
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	2,462	9,587
1997-99 Maintenance Level (ERL)	2,717	9,867
Policy Changes:		
1. Campus Development	0	622
2. Health Benefits Increase	2	2
3. Local Fund/Grant Activity Increase	0	1,520
4. General Inflation	-79	-104
Total Policy Changes	-77	2,040
Total 1997-99 Biennium	2,640	11,907
Difference from 1995-97	178	2,320
% Change from 1995-97	7.2%	24.2%

Comments:

1. Campus Development - The State Auditor found that the Joint Center for Higher Education (JCHE) must identify the gross rather than the net amount of revenue from the leased properties and the management fee expenditure to maintain those properties. Funding is adjusted to reflect gross expenditures. In addition, an increase in expenditures for Riverpoint Campus improvements (street, parking, and utility improvements, environmental studies, etc.) is supported by an increase in revenue from grants and fund reserves. (Dedicated Local Account, Nonappropriated)

2. Health Benefits Increase - The Senate budget provides an additional appropriation for health benefits to increase rates for medical inflation of 4.4% for calendar year 1998 and 4.6% for calendar year 1999. The rates assumed are \$321.83 for Fiscal Year 1998 and \$336.05 for Fiscal Year 1999.

3. Local Fund/Grant Activity Increase - This item provides funding for grants, personal service contracts, and additional FTE staff authority for student interns and temporary staff during the 1997-99 Biennium, the last two years of the federal \$15 million grant. The total FTE staff supported by grant activity will be reviewed in the next biennial budget to ensure continued grant and local fund support for the allotted FTE staff. (Grant and Contract Account, Nonappropriated and Dedicated Local Account, Nonappropriated)

4. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

1997-99 Budget
Western Washington University
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	88,242	163,781
1997-99 Maintenance Level (ERL)	91,776	181,935
Policy Changes:		
1. Health Benefits Increase	388	388
2. General Inflation	-839	-839
3. Enrollment	2,075	3,076
4. Graduate Assistant Health Benefits	200	0
5. Salary Increase	2,993	2,993
6. Tuition Rate Increase	0	2,573
Total Policy Changes	4,817	8,191
Total 1997-99 Biennium	96,593	190,126
Difference from 1995-97	8,351	26,345
% Change from 1995-97	9.5%	16.1%

Comments:

1. Health Benefits Increase - The Senate budget provides an additional appropriation for health benefits to increase rates for medical inflation of 4.4% for calendar year 1998 and 4.6% for calendar year 1999. The rates assumed are \$321.83 for Fiscal Year 1998 and \$336.05 for Fiscal Year 1999.

2. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

3. Enrollment - Funds are provided for an additional 149 FTE students in each fiscal year of the 1997-99 biennium. (General Fund-State, Institution Tuition Account)

4. Graduate Assistant Health Benefits - Funding for graduate student health benefits from the Health Services Account is transferred to the General Fund.

5. Salary Increase - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997.

6. Tuition Rate Increase - Tuition rate increases of 4% are authorized for 1998 and 1999. Revenues may be used for general instructional enhancement or faculty and professional salary increases as authorized.

* **Instructional Efficiency** - 2% of the institution's non-instructional general fund is held in reserve pending certification by the HECB that the school has met standards of accountability set by the board.

1997-99 Budget
Community/Technical College System
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	704,066	1,251,430
1997-99 Maintenance Level (ERL)	728,097	1,207,481
Policy Changes:		
1. Health Benefits Increase	3,217	3,217
2. General Inflation	-4,860	-4,860
3. Enrollment	18,732	24,575
4. Unemployment Fund Replacement	27,802	65,511
5. New Campus Support	1,650	1,650
6. Faculty Salary Increments	3,137	3,137
7. Fund for Innovation and Quality	-4,000	-4,000
8. Salary Increase	22,331	22,331
9. Tuition Rate Increase	0	12,444
Total Policy Changes	68,009	124,005
Total 1997-99 Biennium	796,106	1,331,486
Difference from 1995-97	92,040	80,056
% Change from 1995-97	13.1%	6.4%

Comments:

1. Health Benefits Increase - The Senate budget provides an additional appropriation for health benefits to increase rates for medical inflation of 4.4% for calendar year 1998 and 4.6% for calendar year 1999. The rates assumed are \$321.83 for Fiscal Year 1998 and \$336.05 for Fiscal Year 1999.

2. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

3. Enrollment - Additional funds provide 4,105 new full-time equivalent student enrollments (FTEs) in the 1997-99 Biennium. (General Fund-State, Nonappropriated Institutional Operating Fees Account)

4. Unemployment Fund Replacement - Funding for enrollments and financial aid to replace unemployment trust funds in the Workforce Training Program.

5. New Campus Support - Additional appropriations, primarily in Fiscal Year 1999 provide administrative leadership and senior faculty to develop curricula, organize operations, and plan the purchase of library resources. Cascadia Community College plans to open for classes in the fall of 1999 in new space co-located with the University of Washington Bothell Branch Campus.

6. Faculty Salary Increments - Additional appropriations provide community and technical college faculty salary increments similar to salary increments provided as staff mix adjustments to teachers in the elementary and secondary schools.

8. Salary Increase - All classified staff will receive salary adjustments of 3.0 percent effective July 1, 1997. Funding is provided for institutions to provide faculty and exempt personnel with an average increase of 3.0 percent effective July 1, 1997. (General Fund-State, Employment and Training Trust Fund)

9. Tuition Rate Increase - Tuition rate increases of 4% are authorized for 1998 and 1999. Revenues may be used for general instructional enhancement or part-time faculty and professional salary increases as authorized.

1997-99 Budget
Community/Technical College System

- * **Worker Training Reauthorization #** - The Governor's budget assumes legislative reauthorization of the dislocated worker program originally authorized in 1993 by Chapter 226, Laws of 1993 (House Bill 1988). (Employment and Training Trust Fund, Nonappropriated Institutional Operating Fees Account)

- * **Work Force Development Grants** - The Governor's budget provides additional appropriations provide work force development grantsfor the enhancement of vocational programs.

- * **Faculty Disparity** - The Senate budget allows colleges to provide salary increases for part-time faculty and to increase the ratio of full-time to part-time faculty from the funds available from the tuition rate increase.

- * **Instructional Efficiencies** - 2% of the community and technical colleges' non-instructional general fund is held in reserve pending certification by the State Board that the schools have met standards of accountability set by the board.

1997-99 Budget
State School for the Blind
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	7,220	7,229
1997-99 Maintenance Level (ERL)	7,382	7,575
Policy Changes:		
1. Outreach Program	70	70
2. General Inflation	0	-1
Total Policy Changes	70	69
Total 1997-99 Biennium	7,452	7,644
Difference from 1995-97	232	415
% Change from 1995-97	3.2%	5.7%

Comments:

1. Outreach Program - This item provides for outreach services to blind children in public schools throughout the state. The Washington State School for the Blind has expanded its outreach to serve 321 percent more blind children since 1991. Much of the funding for outreach services comes from contracted services with Education Service Districts and Local Education Agencies. This item provides 1.0 FTE staff to serve as Director of Outreach, with one-third of the funding from General Fund-State. The remaining funding will be from contracted services with the Local Education Agencies and Education Service Districts for actual outreach services and from the federal grant received for the Washington Instructional Resource Center to act as Project Director.

2. General Inflation - The Governor's budget and the Senate budget do not fund inflation for non-basic education programs. The Governor's budget shows a negative in the policy budget because inflation was included in the maintenance level budget.

1997-99 Budget
State School for the Deaf
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	12,947	12,966
1997-99 Maintenance Level (ERL)	12,877	12,878
Policy Changes:		
1. Extended School Year	40	40
2. General Inflation	0	-1
Total Policy Changes	40	39
Total 1997-99 Biennium	12,917	12,917
Difference from 1995-97	-30	-49
% Change from 1995-97	-0.2%	-0.4%

Comments:

1. Extended School Year - The Extended School Year (ESY) program provides on-going educational programs during the summer to Washington State School for the Deaf (WSD) students as required in their Individual Evaluation Programs (IEP). The Washington State School for the Blind shares costs for the summer program with the Local Education Agencies (LEAs). Typically, the LEA provides the service. WSD does not have funding in its base to provide this service. Currently, approximately 10 percent of the WSD students have been identified as needing educational services during the summer months. This item provides half the necessary funds with the expectation that WSD will similarly work with the LEAs to share costs to provide summer educational services to students.

2. General Inflation - The Governor's budget and the Senate budget do not fund inflation for non-basic education programs. The Governor's budget shows a negative in the policy budget because inflation was included in the maintenance level budget.

1997-99 Budget
Work Force Trng & Educ Coord Board
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	3,342	38,516
1997-99 Maintenance Level (ERL)	3,406	38,295
Policy Changes:		
1. General Inflation	-14	-29
Total Policy Changes	-14	-29
Total 1997-99 Biennium	3,392	38,266
Difference from 1995-97	50	-250
% Change from 1995-97	1.5%	-0.6%

Comments:

1. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

* **Program Reduction** - The agency proposed this reduction in Governor Locke's budget options review. Governor Locke took the reduction and provided additional funding for the Job Skills Program. The Senate maintains the current level of funding and allows the agency to re-program existing resources if necessary.

* **Job Skills Program** - Funding already exists for this program in the agency's budget. The agency may re-direct resources internally to this item if additional funding is desired.

1997-99 Budget
State Library
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	14,705	19,601
1997-99 Maintenance Level (ERL)	15,108	20,074
Policy Changes:		
1. Close Branch Libraries	-531	-531
2. Talking Book Library Services	84	84
3. Reduce Storage Collection	-23	-23
4. General Inflation	-207	-326
5. Electronic Access to Information	841	841
Total Policy Changes	164	45
Total 1997-99 Biennium	15,272	20,119
Difference from 1995-97	567	518
% Change from 1995-97	3.9%	2.6%

Comments:

1. Close Branch Libraries - Funding is reduced to reflect the closure of three branch libraries in institutions for the developmentally disabled at Lakeland Village in Medical Lake, Fircrest in Seattle, and Rainier School in Buckley. This reduction was proposed by the library in Governor Locke's budget options review.

2. Talking Book Library Services - Funds are provided to maintain current services provided by the Seattle Public Library. (General fund-state)

3. Reduce Storage Collection - The Library will reduce its need for storage by moving approximately 50 percent of outdated books that are not considered primary mission of the Library to other local libraries. This reduction was proposed by the library in Governor Locke's budget options review.

4. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

5. Electronic Access to Information - Funding is provided to support electronic access to information through purchase of database licenses, subscription and document delivery services that will be made available on the Library's electronic catalog, and expansion of the material that can be made available via desktop computer. This expansion of electronic access to Washington State Library holdings also requires additional technical staff support. (General-fund state)

1997-99 Budget
Washington State Arts Commission
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	4,289	5,770
1997-99 Maintenance Level (ERL)	4,269	4,959
Policy Changes:		
1. Program Reduction	-213	-213
2. General Inflation	-28	-28
Total Policy Changes	-241	-241
Total 1997-99 Biennium	4,028	4,718
Difference from 1995-97	-261	-1,052
% Change from 1995-97	-6.1%	-18.2%

Comments:

1. Program Reduction - The agency proposed this reduction in Governor Locke's budget options review. Development of additional public/private partnership opportunities permit the reduction of the Arts Commission's state budget by 5 percent.

2. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

1997-99 Budget
Washington State Historical Society
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	4,312	5,323
1997-99 Maintenance Level (ERL)	5,147	6,626
Policy Changes:		
1. Local Area Network Support	-38	-38
2. Customer Survey	0	6
3. General Inflation	-76	-107
Total Policy Changes	-114	-139
Total 1997-99 Biennium	5,033	6,487
Difference from 1995-97	721	1,164
% Change from 1995-97	16.7%	21.9%

Comments:

1. Local Area Network Support - Efficiencies gained from use of a local area network to connect the three museum sites for fiscal and telecommunications use will generate savings to cover the Department of Information Services charges for the network. The agency suggested this reduction through Governor Locke's budget options review.

2. Customer Survey - Additional local funds are provided to conduct customer surveys. (Local Museum Account)

3. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

1997-99 Budget
East Wash State Historical Society
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	1,219	1,219
1997-99 Maintenance Level (ERL)	1,504	1,504
Policy Changes:		
1. General Inflation	-16	-16
2. Exhibit Design and Planning	275	275
Total Policy Changes	259	259
Total 1997-99 Biennium	1,763	1,763
Difference from 1995-97	544	544
% Change from 1995-97	44.6%	44.6%

Comments:

1. General Inflation - The Senate budget requires agencies to fund sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their missions.

2. Exhibit Design and Planning - Funds are provided for the design and planning of the Tribes of the Plateau exhibit. (General Fund- State)

1997-99 Budget
Bond Retirement and Interest
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	861,672	971,164
1997-99 Maintenance Level (ERL)	967,994	1,126,805
Policy Changes:		
1. Debt Service Fund Realignment #	0	1,223
2. 1997-99 Capital Budget	13,734	22,440
3. Energy Efficiency Bonds	281	281
Total Policy Changes	14,015	23,944
Total 1997-99 Biennium	982,009	1,150,749
Difference from 1995-97	120,337	179,585
% Change from 1995-97	14.0%	18.5%

Comments:

1. Debt Service Fund Realignment # - The realignment of debt service funds distinguishes the various types of debt service into categories that correspond to debt service classifications in the operating budget. Many single purpose bond retirement funds will be reorganized into seven new debt service funds. Because there is no net change in expenditures resulting from this realignment, this item is displayed as a total funds change of zero. (various debt service funds)

2. 1997-99 Capital Budget - Funds are provided to pay debt service and bond sale expenses for the 1997-99 Capital program. (General Fund-State and various debt service accounts)

3. Energy Efficiency Bonds - Funds are provided to pay debt service for energy efficiency bonds which were authorized in 1992. At the time the energy bonds were authorized, it was anticipated that the debt service would be paid by agencies from resulting energy savings. With the elimination of the State Energy Office in 1996, there is no longer a source of recovery for debt service payment. (General Fund-State)

1997-99 Budget
Special Approps to the Governor
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate GF-S	Total
1995-97 Estimated Expenditures	6,781	8,572
1997-99 Maintenance Level (ERL)	6,714	9,653
Policy Changes:		
1. Year 2000 Computer Conversions	5,340	26,427
2. Emergency Fund Reduction	-700	-700
Total Policy Changes	4,640	25,727
Total 1997-99 Biennium	11,354	35,380
Difference from 1995-97	4,573	26,808
% Change from 1995-97	67.4%	312.7%

Comments:

1. Year 2000 Computer Conversions - In consultation with the Department of Information Services, the Office of Financial Management will allocate monies from the state General Fund and other sources to allow state agencies to make older computer systems compatible with calendar dates of Year 2000 and beyond. Specific funding and projects have been identified in 11 agencies, at a total cost of \$16.4 million (\$5.3 million General Fund-State). No transportation agencies have been included in this combined funding.

In addition, \$10.0 million dollars will be set aside from existing fund balances in the Data Processing Revolving Account in order to provide a contingency pool of dollars to address unforeseen expenses that may be encountered as computer conversions are implemented. The Data Processing Revolving Account is nonappropriated. (General Fund-State, Data Processing Revolving Account-Nonappropriated, other various accounts)

2. Emergency Fund Reduction - The Governor's Emergency Fund allocation is reduced to \$500,000 per fiscal year. It is anticipated that weather-related emergencies that exceed the allocation will be considered by the Legislature on a supplemental basis.

*** Recommended Budget Includes:** - The Governor's Emergency Fund contains \$1.7 million which the Governor can make available to agencies for unforeseen expenses or critical agency operations that are not supported by other appropriations. (General Fund-State)

A total of \$5,027,000 supports various agencies' expenses for Tort Defense Services from the Attorney General. (\$2,514,000 General Fund-State and \$2,513,000 Tort Defense Services Revolving Account)

A total of \$426,000 will be allocated to agencies for assistance in implementing the Americans With Disabilities Act. This funding is used primarily for staff training about what reasonable accommodation must be provided to disabled employees and clients. (Americans With Disabilities Act Special Revolving Account)

Funding is provided to the Tort Claims Revolving Fund based upon actuarial projection of claims that must be paid by the state. (\$2,500,000 General Fund-State)

*** SSB 5472 Caseload Forecast Council** - The Senate provides funding for the Caseload Forecast Council (established in Substitute Senate Bill 5472) as a separate agency not within the Special Appropriations category.

1997-99 Budget
Special Approps to the Governor

* **Compact for Education** - Funds are not provided for the Compact for Education, which was repealed by the Legislature in 1994.

1997-99 Budget
State Employee Compensation Adjust
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	585	585
1997-99 Maintenance Level (ERL)	0	0
Policy Changes:		
1. Salary Reclass Implementation	21,008	29,117
2. Attorney General Salary Increase	500	1,000
3. Health Benefits Adj (State Emp)	8,473	18,104
4. State Employee Salary Increase	62,453	128,709
Total Policy Changes	92,434	176,930
Total 1997-99 Biennium	92,434	176,930
Difference from 1995-97	91,849	176,345
% Change from 1995-97	15700.7%	30144.4%

Comments:

1. Salary Reclass Implementation - Funding is provided to grant specific salary increases to classified state and higher education employees in 17 of the 23 classification titles on the 1997-99 6767 Priority List. These increases are attributed to implementation of Chapter 319, Laws of 1996 (SSB 6767). Salary increase recommendations under this legislation result from prioritized salary adjustment decisions to address salary inequities, recruitment and retention issues, salary compression or inversion, and increased duties and responsibilities. These prioritized decisions were adopted by the Washington Personnel Resources Board.

2. Attorney General Salary Increase - Funding is provided to implement half of the second phase of the Attorney General's 1994 compensation study. This phase includes funding for increases for Assistant Attorney General levels 1 and 2. The continued funding of this request will maintain the investment made in the 1995-97 biennial budget that will help in Attorney General's recruitment and retention issues. (General Fund-State, Other Funds)

3. Health Benefits Adj (State Emp) - The Senate budget provides an additional appropriation for state employee health benefits to increase rates for medical inflation of 4.4% percent for calendar year 1998 and 4.6 percent for calendar year 1999. The rates assumed are \$321.83 for Fiscal Year 1998 and \$336.05 for Fiscal Year 1999. (General Fund-State, General Fund-Federal, Other Funds)

4. State Employee Salary Increase - Funding is provided for a one time 3% cost of living (COLA), effective 7/1/97.

1997-99 Budget
Contributions to Retirement Systems
(Dollars in Thousands)

Wednesday, Mar. 26, 1997
4:22 pm

	As Passed the Senate	
	GF-S	Total
1995-97 Estimated Expenditures	189,600	189,600
1997-99 Maintenance Level (ERL)	159,500	159,500
Total 1997-99 Biennium	159,500	159,500
Difference from 1995-97	-30,100	-30,100
% Change from 1995-97	-15.9%	-15.9%

Comments:

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